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PRIME MINISTER'S  
PRESS CONFERENCE

FOLLOWING FEDERAL-PROVINCIAL CONFERENCE OF FIRST MINISTERS

CONFERENCE DE PRESSE DU PREMIER MINISTRE A L'ISSUE DE LA  
CONFERENCE FEDERALE-PROVINCIALE DES PREMIERS MINISTRES

Ottawa, Ontario  
February 15, 1978



Q.

Mr. Prime Minister, in the context

of a Federal government providing economic leadership, what

seems to be interesting about this conference is that the whole thought of

was for all the provinces telling the federal government (inaudible)

A.

I would not want to make too great an effort in claiming authorship for one or another part of the communiqué, the agreed conclusion was reached together but if you look at them carefully you will see that many of the most important objectives were put forth by the federal government whether it had to do with rates of growth or pricing practices or inflation, management of the economy, participation of the private sector and on and on. You will find these ideas and propositions either in Mr. Chretien's medium term economic strategy paper which was made public about a week ago and in the documents on co-operation, economic co-operation which have been published by the federal government during the past year. The whole plan for the conference, the sectoral meetings, the importance to be given and the detailed discussions on the so-called general economic policies arose in discussion between the Premiers and myself during our meetings in November and December. I am not particularly concerned with finding out who is the remote father of any of them. I think the important thing is that for the first time as far as I know in the history of the nation we have come together, all the provinces and the federal government, to set our sites on agreed objectives in the economic area and to define together instruments and ways through which those objectives could be pursued.

In that sense I am very satisfied with the results. I quite frankly was not too hopeful that we would be able to agree on such precise delimitations of the inflationary rate that we want to have Canada reach by the end of 1980 by precise limits to the rate of growth of our public sectors together and so on. So I am not quite sure if I satisfied the



question but I saw this as a conference of a great deal of interaction. Of course the provinces suggested ways in which we could improve our policies and we are grateful for that. There was a general objection to a federal impact sometimes on provincial areas of jurisdiction but it was quite obvious that in federal areas of jurisdiction the provinces wanted to have a great deal to say whether it be in the settling of the policy of the Bank of Canada or in the conduct of negotiations in Geneva on international tariffs and so on and that is why I think the conclusion has to be that those sectors of federal and provincial levels of government are really involved consequentially in the policies and decisions made by the other level and that is why we agreed together it was very important at this time to show that we could do it and thereby create the confidence from which will flow investment and from which will flow jobs.

Q. Prime Minister, in Article 3, subsection 2 of the communique it was agreed that the Economic Council of Canada would assume responsibility for analyzing price and cost developments in a limited post-control period. Sir, what happened to the monitoring agency?

A. This may turn out to be the way the monitoring agency will take shape. I am not sure if you read the words correctly but the way we agreed upon it is that the Economic Council of Canada -- well, I don't have the correct version, I don't have the one that we agreed to upstairs amongst Premiers. I don't know if you have been distributed the same incorrect statement as I have.

Q. Is this correct?

A. Yes, I apologize for saying you read it incorrectly. What was agreed was that we would ask the Economic Council to see if it was feasible for them to perform this role which we had ascribed to the monitoring agency. There was a preference shown by several Premiers although not all for using the Economic Council of Canada. I felt it only fair not to make this request absolute

because we have to hear from the Economic Council of Canada whether it can perform this role and whether in performing it if it does it would be deleterious to the acceptability of the Economic Council of Canada as an economic advice providing body.



So the answer is the Economic Council of Canada will be asked to do it. If they can do it within the normal conduct of their operations and in a positive way they will do it, otherwise it will be a monitoring agency such as Mr. Chretien has explained in its modified form.

I hope the rest of it has been corrected.

I am sorry, the wording was a bit changed but in fact it does come out, the meaning is not too different than the one we agreed upon at lunch. "Be requested if feasible," that was the general idea, that we would see if the Economic Council of Canada could do the job and if they could we would ask them to do it.

Q. Monsieur Trudeau, le Premier ministre du Québec lors de sa conférence de presse d'il y a à peu près une heure a dit qu'il avait demandé que l'on biffe le chiffre 11 dans l'entente à signer et que l'on mette 10, parce qu'il ne voulait pas que le Québec soit inclus dans l'accord; est-ce que vous pouvez m'expliquer la contradiction qui semble surgir parce qu'il a dit:

"I asked them to remove the mention of 11 governments because I could not endorse it all."

A. Vous prenez la première page?

Q. Je parle de la première page.

A. Eh! bien, ce n'est pas ma mémoire de ce qui s'est passé, mais au fond qu'importe, il est évident maintenant que monsieur Lévesque ne souscrit pas au communiqué

Comme je l'ai dit tout à l'heure, il n'était pas présent pendant toute la période du communiqué, et il voulait se présenter devant les caméras pendant que nous travaillions là-haut.

Il nous a dit avant de partir encore une fois sans avoir vu tout le communiqué, qu'il n'était pas sûr quelle attitude il prendrait vis-à-vis le communiqué, qu'il pourrait certainement s'associer à certaines parties et non à d'autres.

En autant que je me souviene, les objectifs bien généraux de la première page où on mentionne les 11 gouvernements, je ne me souviens pas qu'il ait fait exception à ça.

Mais, il n'y a pas de quoi fouetter un chat, c'est clair maintenant qu'il ne veut pas s'associer aux résultats de la conférence.

Q. Est-ce que ça change quelque chose au succès ou à l'insuccès de votre conférence.

A. Ca dépendra vraiment de l'orientation économique de son Gouvernement, si tout en dénonçant ces objectifs et les buts que nous proposons, s'il s'y conforme, s'il coopère à réduire l'inflation de la façon que nous avons souhaitée ensemble, s'il coopère dans notre effort collectif pour créer des emplois au Canada et au Québec en particulier. S'il continue de signer avec nous des ententes valant des centaines de millions de dollars pour le Québec, pour créer des emplois au Québec,



bien sûr que l'essentiel des objectifs sera atteint.

Dans les faits il voudra sans doute oublier qu'il les a signés, oublier de dire à la population québécoise que les fonds viennent du Fédéral, déguiser autant que possible le rôle du Fédéral dans la relance de l'économie québécoise, mais c'est le Gouvernement de monsieur Lévesque qui est venu en novembre nous demander au Fédéral de coopérer à débloquer une dizaine de dossiers, au mois de novembre dernier.

Et nous avons dit: "Bon, oui, nous ferons tout pour débloquer ces dossiers-là parce qu'il s'agit de créer des emplois, de relancer la prospérité économique au Québec."

Nous avons débloqué un grand nombre de ces dossiers, nous avons signé ou nous sommes sur le point de signer, je pense qu'il y a une signature qui sera donnée vendredi, après demain, des ententes comme l'a rappelé monsieur Chrétien pour un total de quelque \$140 millions de dollars.

Alors, la position reste un peu difficile à comprendre, il nous a demandé de collaborer sur le plan économique, nous avons collaboré, nous avons signé des ententes, je le répète valant \$140 millions de dollars.

Il y en a d'autres au bout de la ligne, ils en ont signé un le mois de juin dernier avec monsieur Lessard, pour quelque \$80 millions de dollars.

Alors, la coopération est là, nous n'allons pas cesser d'aider la relance économique dans la province de Québec même si monsieur Lévesque pour des fins qui sont évidentes, ne veut pas que la population québécoise soit mise au courant de la participation du Fédéral à cette relance.

Q. Est-ce qu'on doit conclure du communiqué à la page 2 que l'inflation et le chômage restent

toujours des priorités égales l'une et l'autre de votre gouvernement et de toutes les provinces, par exemple que le chômage ne prendra pas la place de l'inflation.

A. Th! bien, c'est une distinction que, quant à nous et je pense que c'est vrai également pour les Premiers ministres des provinces que nous n'avons jamais acceptées. Nous avons toujours pensé que si l'inflation s'accroissait à un rythme hors contrôle, cela avait des conséquences nocives du point de vue de l'emploi et inversement, évidemment s'il y a un sous-emploi, s'il y a un chômage trop élevé, nous sommes parfois acculés à prendre des décisions macro-économiques, c'est-à-dire dans le domaine des dépenses, des emprunts, etc., qui peuvent avoir des conséquences adverses pour l'inflation. C'est pourquoi il faut mener les deux luttes de front et c'est pourquoi elles sont associées ces deux luttes-là également ensemble dans les objectifs économiques que nous nous sommes proposés.



Q. Mr. Prime Minister, there are a number of things here, that are cited here as desirable objectives, but the detail how to get to those objectives is left rather vague and there is for instance the increased level of investment necessary between largely financial and funded Canadian savings. Do we look for then in a forthcoming budget through some provisions which would encourage this movement of savings into equity investment?

A. No, I believe you were reading that on the first page, yes. I believe this comes in the paragraph where we were discussing the importance of business investment for the expansion of jobs in Canada.

Of course, one of the main purposes of this conference has been to establish a confidence in the future of Canada and its economic prosperity which will lead to the kind of business confidence which will lead to investment and this particular suggestion here was put in I remember precisely where and when by some of the Premiers who wanted to point out that this business investment should not necessarily be foreign investment, that there were many savings in Canada and by creating the climate of confidence that we hopefully have done in the past three days by agreeing as we did on the future guidelines of the economy we will get Canadian savers who are saving at a very high rate now to have that confidence in the economy and to move their savings into equity or other types of entrepreneur investment.

Q. Mr. Prime Minister, with respect to the departure of Mr. Levesque from the conference, he supplied several reasons why he said he left and he referred to what he called electoral manoeuvring and the presence of film cameras from the Liberal Party and in addition to what he called the provocation on the part of Federal Ministers and in particular that of Mr. Ouellet, exactly around

the housing discussion that some Federal Cabinet Ministers from Quebec were in fact trying to make their speeches come true by hindering economic development within the province and I wonder if you could respond to that?

A.

Well, on the first point

I must confess that I don't quite see the relevance of it. Obviously we have to have a federal election some time. We have got almost another year and a half to go but all of you or many of you and Mr. Levesque is probably taking his cue from the rest of us are saying that there has to be an election pretty soon. I am not quite sure once again what consequences he is drawing from it, that we should not have had a conference on Canada's economic future because an election might happen in the next year or year and a half or if we had to have a conference on Canada's economic future, as not only ourselves have been advocating but many of the Premiers and a conference on which he agreed when I visited him in Quebec City last December, if we had to have one what's his point about saying that there will be an election some time? Does he not want the conference to succeed lest we win the election? I mean the present government and what is his interest in seeing this particular government not win the election? I really don't understand what he is getting excited about. Certainly if we had had the election last fall and we had had the economic conference at this precise date, can one suppose that Mr. Levesque would have been much more positive at the conference? I really fail to see his logic on that and insofar as Mr. Ouellet's participation, well I imagine that most of you were present yesterday when Mr. Levesque conveniently forgot as I was reminding in French a moment ago, forgot many of the agreements which have been signed at his request since they came to us in November and asked us to move forward with ten different dossiers. We signed agreements to the tune of some \$140 million. We confirmed the federal total expenditure of some almost \$1 billion at Laprade in Quebec which we had been prepared to cancel because for a year we hadn't been able to get an answer out of them on their future in terms of atomic electrical energy, atomically generated electrical energy. So we have done all these



things and he conveniently forgot them and then he insisted, you will recall most of the day yesterday, that we do deal with housing and when he dealt with it it was to say that we had done nothing.

Surely Mr. Ouellet was justified and said he had last August offered some \$200 million and said that they were at the disposition of the Province of Quebec to spend in that area and he was justified in reminding them that through dilatory delays on their part they had \$40 million of that. Now obviously Mr. Levesque doesn't like to be caught off base but he was and he is a little bit annoyed at that.

Q. Could I just follow it up briefly, Mr. Prime Minister? You yourself said that Mr. Levesque had insisted that housing be put on the agenda. Do you infer from that this was some sort of a deliberately conceived scheme to disrupt the conference knowing that Mr. Levesque would be making allegations that he made in the housing discussion?

A. I don't think so. When we defined the agenda and correspondence between the Premiers and myself we were very precise on a certain number of general economic policies and then because we knew we couldn't in the time available cover them all we said it is likely that there will be discussion on other matters such as transportation and housing.

When we saw that time was running out and we were falling behind yesterday, I suggested that we could perhaps crowd transportation in under agriculture as we did, but I am not repeating and I am not making an issue out of it, that Mr. Levesque wanted to talk about housing, thinking that he had some points to score on us. It turned out that he did not and we had some to score on him and that is the only reason that Mr. Ouellet found it necessary to make his intervention this morning.

Q. Mr. Levesque had his own press conference here about three hours ago and he said there was a vigorous exchange last night where tempers flared and he said flatly that he felt that you and your government were involved in an election ploy, which was a very clear description of his interpretation of your behaviour.

A. Of course I don't know what he said but I would be very surprised if he said that tempers flared last night. There was an animated discussion on many subjects and certainly when we talked about Canadian unity, Mr. Levesque and I were somewhat animated but I don't think either of us raised his voice and indeed I don't think that at that point any of the other Premiers were engaged in that particular conversation. So I just doubt whether you are reporting him correctly in saying that tempers flared. He didn't lose his temper and I certainly didn't lose mine.

You asked me to comment on his conduct. I think I answered in part your question by answering the previous ones, but in short, what do you expect as the leader of a government which is determined to prove that federalism does not work, because he wants to break up Canada and replace it by some other type of arrangement between an independent Quebec and the rest of Canada? So obviously, I said that last December. His whole game plan is



to prove that federalism does not work. So no matter if nine other Premiers and myself agree, as we did last year, and agree as we do again this year, to say "Well, we will make it work", obviously Mr. Levesque has to go out and mount some arguments to prove that it does not work and I repeat that as far as we are concerned, most of those arguments have been exploded. When he says that he does not get assistance, the figures are there and I suppose a lot of other Premiers -- well, some of them testified to that rather wryly yesterday, that they really didn't believe Mr. Levesque when he said that he did not get assistance from the federal government and they did not say that privately, they said that out in the open. It /sarcastic/ was a /comment/ by one of the Premiers yesterday.

Q. You said when the meeting reconvened this afternoon that Levesque's walkout will contribute to the uncertainty which is hindering the progress of the economy. How strong a factor do you view the present Quebec issue as a cause of the economic difficulty in this country? Do you think that his conduct contributes to that?

A. Well, I don't suppose this is an area where you can quantify actions of a particular government but I think conventional wisdom is right, that investments tend to come where there is political stability. Now, obviously, by definition there is not political stability in Quebec since the present government is dedicated to upset the country of which Quebec is a part. So once again I don't want to attempt to quantify it by movements of investment out of Quebec or failures of investment to go to Quebec, but maybe that should be your job to analyse what has happened. Certainly I don't think one has to be very original to state as a matter of

principle that investors usually like to invest where there is some measure of political stability.

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Q. Monsieur le premier ministre au chapitre des prix... (inaudible)

A. Vous voulez dire que le secteur public suive plutôt le secteur privé, c'est ça que j'ai dit n'est-ce pas.

Eh! bien, nous étions là 11 gouvernements, chacun avec son secteur privé, lorsque les premiers ministres de ces 11 gouvernements disent que lorsqu'ils négocieront avec leur secteur public, ils devront être guidés par cela, on ne peut pas avoir plus fort certificat, ils indiquent les bases sur lesquelles ils ont l'intention de régler le problème de la rémunération dans leur secteur public.

Je ne vois pas très bien ce que l'on peut demander de plus, si ce n'est un engagement tel qu'il s'en trouve un ici et auquel dans la discussion monsieur Lévesque a également souscrit.

Q. Monsieur Trudeau, hier, vous avez eu une discussion avec monsieur Lévesque quant à l'unité nationale, est-ce que vous avez donc convenu de vous rencontrer avant la rencontre de novembre pour discuter des problèmes relatifs à la constitution.

A. Nous avons également parlé de cela au déjeuner tout à l'heure, il a été convenu de nous rencontrer à la fin de novembre sur l'économie et probablement quelque part en septembre sur les questions constitutionnelles.

Q. Est-ce que tous les premiers ministres ont accepté de venir?



A. Tous ont accepté de venir.

Monsieur Lévesque a précisé que s'il venait, ça ne serait pas pour discuter les propositions que nous allons faire mais plutôt pour faire la présentation des siennes.

Q. Est-ce que cela veut dire qu'il ne pourra pas y avoir d'élection à l'automne?

A. Mon Dieu! je n'y avais pas pensé, merci.

Q. Sir, in another portion of the communique you have mentioned the innovative use of unemployment insurance. Is that not correct either?

A. Yes.

Q. It is correct? In the text of your second address on the first day of the conference, you suggested that the time might be now to discuss among governments whether universal social policies were necessary or whether it might not be wise to consider the individual payment to individuals rather than universal policies. Now did your statement catch on with the Ministers in the form of innovative use of unemployment insurance?

A. Well, the two subjects are related but somewhat distinct. What I had in mind there in the areas we discussed indeed in some of our private meetings, really turned around -- what I think the Premier of Manitoba, Premier Sterling Lyon, was saying when he was suggesting that there are some areas where we perhaps could help those who need to be helped without having universal programs in every area.

Unemployment insurance is somewhat distinct from that and we have used another approach in the recent amendments that we passed in the House of Commons where we said that we should use unemployment insurance funds where possible imaginatively and one area that has already been successfully experimented with is work-sharing agreements. We have reached an agreement with New Brunswick because in a certain mining area the unions and the employers had agreed to go on work-sharing agreements with the employers continuing to pay salaries but for a shorter work week for those who were working so that those who were unemployed could benefit by the shortening of the work week for the others.



In order to make up for the loss in salary we would use UIC funds. So in this sense we have got authority from the House of Commons to use those funds in slightly different ways than the conventional ways, but as I reminded the Minister from Quebec yesterday, Mr. Berube, we cannot just dip into these funds as he seemed to suggest at our convenience and say we will use them in novel and experimental ways. These funds belong to the workers, to the employers, they have contributed to them and we just can't experiment with those funds or indeed with that portion of the funds which are supplied by the federal government. They are codified and regulated by the Unemployment Insurance Act, therefore, the Act does provide for some experimentation such as I indicated but it is not completely open.

Q. A supplementary.

Did your suggestion that universal programs might be substituted by direct income support payments gather any attention among your colleagues?

A. It wasn't discussed at our private meetings if that is what you are asking. There was some reference to it in some of the participation and of course I referred to Mr. Davis' tax credit arrangement which is, as I said, a new way to extend social benefits of one kind or another or income support and we did refer to that at our meeting last night as something that we might consider putting in the communique, but in the end we replaced it by the expression "tax incentives" without specifying whether it be through a form of credits or otherwise.

Q. Mr. Prime Minister,

I would like to come back to an earlier French question because it is important. We know you have meetings with the Premiers in November and September and do we take it that there will not be an election this fall, that raises the question of whether you are either planning one this spring and are already making plans and commitments and you have certainty in your mind that you will be elected or are putting back your plans and you

will have an election after next fall or next spring? It seems that narrows down to some interesting questions.

THE PRIME MINISTER: Well, as far as our Party is concerned I have told them they should be prepared for an election at any time, but until I have decided what the date was -- obviously I can't tell you because I don't know and secondly I don't think we should cease planning to govern. There is a NATO meeting at the end of May; am I to tell President Carter, "Well, don't put it then because I might have an election"? There is a summit meeting in Germany in the middle of July and am I to say, "Please change the date because there might be an election at that time"? The same argument goes for the Constitutional Conference and eventually for the Economic Conference. We have to plan the weeks and months ahead in the way we can and if I am in the middle of an election during the summit meeting in Germany perhaps I won't be able to attend and if we are in the middle of an election during the NATO thing perhaps I won't be able to attend. If we are in the middle of an election in September perhaps the Premiers won't want to attend the Constitutional Conference, but we have to go on as if government will continue and wait until an election date is known, don't we?

Q. Supplementary. In that discussion today with the Premiers did you in fact tell them you were not anticipating calling an election?

A. They didn't ask me and they are all politicians or at least two or three of them are liable to have an election in the next 12 months and we didn't really try to accommodate that September date to anyone. It almost came out as the question did in obiter dicta we were talking about the economy and seeking a date in late November and the point was made that any elections which were likely to take place between now and the end of November would have taken place and the end of November is not a likely date for an election time traditionally in most of the provinces or in



Canada and therefore that seemed like a good safe bet, but I repeat -- and we did say that we didn't want the economic discussions and the constitutional ones to be held at the same time so it was a matter of following up on my promise to them that after we had tabled certain constitutional proposals even though they come within the jurisdiction of the federal government, I would want to give them an opportunity in conference to discuss them. They wanted to accept that invitation so we looked for a date.

Q.           - - - inaudible - - -

A.                               Well, even if I could answer you I don't know if I had a precise plan to bring it down, I don't suppose this would be the place to announce it, but we are trying to govern in a way that Quebeckers will reach the conclusion that Canada is a good place to live in and if they conclude that they will obviously vote against breaking up the country. It is general but I guess it is an answer which gives us the maximum flexibility. Certainly many of our measures -- let me remind you of the Official Languages Act -- is one which is predicated on the importance of Quebeckers knowing that the federal government can be seen to be their government because it can address itself to them in their own language, in the language of the Quebecois. The same thing with the economic measures I talked about earlier and that is why I wanted also to reassure Quebeckers that it is not just because Mr. Levesque didn't want to co-operate with us that we were going to cease helping the province to create jobs and this too will hopefully get an increasing number of Quebeckers to see that separatism not only is not

necessary but that it is counter-productive for the very security that they are looking for as a French-speaking society.



Q. J'aimerais, monsieur le premier ministre, s'il vous est possible d'évaluer en terme de créations d'emplois et d'argent disponible résultats de cette conférence pour chaque région du pays.

Parce que, quand je regarde cette liste d'épicerie, si vous me permettez l'expression, ....

A. On vous entend très mal, on ne vous entend pas très bien ici, est-ce que vous pourriez parler un petit peu plus fort?

Q. Ecoutez, je vous demande une évaluation pour les régions du Canada en terme de création d'emplois et d'argent disponible des suites de cette conférence, parce que, quand je regarde votre liste d'épiceries, il m'apparaît que l'Ontario en tout cas y a son compte par toutes sortes de projets, les projets de l'Hydro-Ontario par exemple, le pacte automobile, pourtant ce n'est pas la région qui est la plus défavorisée au Canada. Et l'un des buts de cette conférence, c'était justement d'enrayer les disparités régionales.

A. Eh! bien, il y a plusieurs projets qui ont pour but d'amener des investissements considérables dans le Québec même, si vous prenez le paragraphe, peut-être un peu abstrait sur, mettons, le pacte de l'automobile il opère au bénéfice du Québec, puisqu'il y a là aussi une industrie automobile.

Mais il y a des négociations en cours actuellement au terme desquelles et on y a fait allusion dans ce paragraphe, au terme desquelles on essaie d'amener des investissements nouveaux et massifs de l'industrie automobile au Québec.

Evidemment, on ne peut pas les forcer de le

faire, mais nous au Fédéral, nous sommes disposés à mettre à la disposition des compagnies automobiles des sommes considérables pour les inciter à venir s'installer dans le Québec.

Il y a également le pipeline de gaz qui éventuellement devra se rendre jusqu'à la côte Atlantique, si le Québec y tient et s'ils veulent ce pipeline pourrait passer par le Québec et desservir toute la région du Bas Saint-Laurent qui pourrait puiser des énergies à même ce pipeline, mais encore une fois c'est une chose qui suppose, qui présuppose la volonté du Québec de coopérer avec nous, de coopérer avec cette entreprise.

Lorsque nous parlons là-dedans du projet déjà annoncé de Gull Island, l'énergie de Gull Island en très grande partie sera transportée à travers le Québec, ce qui supposera des revenus pour le Québec de ces énergies-là.

Alors, vraiment, je ne pense pas qu'on puisse sans faire exprès trouver que le Québec n'a pas sa part dans ces projets qui restent à développer.

Q. I wonder, sir, if you feel that you achieved your goal at this conference in inspiring confidence in the economy in view of the fact that the dollar has fallen two or three points lower in the last few days?

A: Well, let us watch what it does tomorrow and maybe you can ask me the question at next week's press conference. I don't think that we can judge or quantify, to use my earlier expression, what the outcome will be. I just say that when ten or eleven governments, the totality of those who exercise political leadership in the federal-provincial fields have agreed on a certain number of economic objectives, it should create confidence in the future of the country. Whether it will or not, depends a great deal on, I suppose, how that news will be interpreted and received.



Q. Une précision, j'aimerais savoir ce que vous allez faire pour le Québec, puisque bien sûr, il y a plusieurs projets qui ont des retombées au Québec, mais il n'y a aucun projet comme tel qui émane du Québec...

A. Ces projets-là sont des projets qui découlent soit d'initiatives privées, soit d'initiatives intergouvernementales... (interrompu).

Q. Mais qui a décidé que ces projets seraient sur la liste?

A. Eh! bien, à même la très longue liste qui avait été déposée hier ou avant-hier, par le ministre Gillespie, les premiers ministres et moi-même avons choisi au déjeuner, encore une fois, une liste à retenir et c'est cette liste-là que vous avez devant vous.

TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE - REGINA  
MARCH 11, 1978 - 12.30 p.m.

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Govern.  
Public

TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE  
A REGINA, LE 11 MARS 1978 - 12h30

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Released March 13, 3:15 p.m.

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Nous avons entendu ce matin des différents ministres un rapport des mémoires qui ont été présentés ce matin dans les différents groupes, et également/les rapports des réunions ministérielles qui ont eu lieu hier à Edmonton et à Winnipeg.

De cette façon, le Conseil des ministres a pu se mettre au courant des différents problèmes et des éléments de solution qui ont été présentés. Le Conseil des ministres s'est occupé essentiellement à cela. Nous avons également pris deux décisions: un, en ce qui concerne le Conseil économique du Canada et un autre en ce qui concerne la réhabilitation des voies ferrées dans les Prairies. Pour la première décision, je crois qu'il y a des éléments déjà qui ont paru dans le journal. Nous avons donné suite à la requête faite par les Premiers ministres provinciaux à la réunion d'Ottawa, il y a trois semaines à l'effet que <sup>que</sup> plutôt/d'établir une agence pour suivre la question de l'inflation après la période de décontrôle nous avons obtempéré à leur suggestion et nous avons demandé au Conseil économique du Canada de se charger de ce travail. Et c'est essentiellement les aspects d'analyse et de faire rapport au Gouvernement et également l'aspect éducatif sera confié au Conseil économique du Canada. Lorsqu'il y aura besoin d'enquêtes spéciales, le Gouvernement procédera en vertu de la Loi sur les enquêtes.

Monsieur Lang, encore une fois, vous parlera du problème et des éléments de solution à la question du rail.

In English, repeating briefly. The Cabinet, this morning, dealt with two substantive issues which I'll comment on in a moment, but most of it was concerned with hearing reports from the Ministers of the meetings which had been held yesterday

in Edmonton under Mr. Jack Horner's chairmanship, and in Winnipeg under Mr. Joe Guay's chairmanship. The briefs which were presented there were summarized to Cabinet and a fairly detailed discussion followed on some of the brief presentations. Then each chairman of this morning's ministerial meetings with different groups -- five groups -- each chairman also reported in some detail to Cabinet and we took some decisions on follow-up.

In terms of substantive measures, there was one decision taken on Prairie branch line rehabilitation, and Mr. Lang will comment on that in a moment, but we also took another decision concerning the monitoring agency for the post-control period. I believe there's already been some elements of this in the press in a speculative way, but the Cabinet this morning decided to ask the Economic Council of Canada -- and I will be writing this week-end to Sylvia Ostry in that regard -- decided to ask the Economic Council of Canada to do most of the role which we would have given to the monitoring agency: the role of education, the role of analysis and the role of reporting. You'll recall that the First Ministers' Conference had ended in a suggestion by many of the First Ministers to me that we do this through the Economic Council rather than set up a monitoring agency. Well, we studied this, asked the Council to report on it and they reported to us this week that they would be prepared to do that aspect of the job. The enquiry into specific cases would not be done by the Economic Council of Canada. They would report to us and recommend that certain enquiries be taken and then the Cabinet would under the Inquiries Act set up such an inquiry by Order-in-Council. So, we're very happy with this solution, and happy that the provincial suggestion was a realistic one and one which the Council agreed to undertake.

Mr. Lang, would you say a few words then on the rail subject?



OTTO LANG:           Comme le Premier ministre l'a dit, nous avons pris une décision très importante pour l'Ouest. I don't think a decision more important could in fact have been taken than the decision of the Government to continue the rebuilding of the Prairie Branch line system. Five of the briefs before us today mention that question and therefore signify the importance attached to it. As you know we had previously committed one hundred million dollars towards the acquiring of some of the re-building equipment and the first re-building programs for 1977 and 1978. This really allows us to go ahead now with the planning of the re-building program for the on-going period of time and we will begin immediate discussions with the railways about the various specific re-building they will do. Our overall long-term objective is to assure that as branchlines are contained in the basic network and as they are transferred to the basic network following the Hall Commission recommendations, that we undo the neglect of the many years of the past when no re-building took place and in the end will have a permanent network for handling grain where all the lines in it can carry the fully loaded hopper cars. That also means they will be in a condition where they can be operated through the winter time because snow ploughs will be able to operate on them at reasonable speeds. It really produces a total network that is sound and sensible and that work therefore is continued into the future and that, I think, is extremely important to all of us in the Prairies.

Q.: Mr. Prime Minister, would you explain to us, you have spent the last two days touring the West there were two very vocal demonstrations outside the Cabinet Meeting. There is another one going on now -- members of the Canadian Agriculture Movement. . I'm wondering what you learned from you visit out here and what have your Cabinet Ministers told you about the feeling in the West towards the Federal Government?

A.: Well, these vocal groups as you described them have of course presented briefs to the ministerial meetings this morning and we learned of the subject of their concerns and further meetings are going to take place. Mr. Whelan is meeting tomorrow with certain farm groups. Mr. Lalonde and other Ministers are meeting in a few minutes with the Fédération des Francophones Hors Québec. Insofar as the unemployed or union groups, we have certainly had reports this morning which would be conducive to the creation of jobs, particularly the report that Mr. Gillespie made, for instance, on his visit to Lloydminster and the discussions he had with the IPSCO people. These are areas in which the Federal Government is prepared and ready and willing and anxious to act. And certain elements of the decisions still have to be taken but I've been talking to Premier Blakeley this morning and listened to a discussion between him and Mr. Gillespie and we're very optimistic that action will go forward there to create jobs. Insofar as other job possibilities are concerned, of course, the legislation is in its middle stages at the House of Commons now setting up the Foothills pipeline project, and we had assurances in some

of the briefs presented to us from not only the builders of the pipeline but those entrusted with producing pipes: that they did not share the concern that some of the Opposition shared, expressed in the House of Commons in terms of Canadian content. Both the pipeline people and the steel people are very much in agreement with the Government's approach to this. They feel that they can be competitive, that the jobs will be created in Canada and they are looking very much forward to the passage of the legislation that the Government presented. So these are some examples of areas in which jobs will be created and all that is needed is for the cooperation of all sectors to move forward those projects.

Q.:

I'd like to address a question to the Canadian Agricultural Movement.

claims that according to GATT, producers in one country that are hurt by imports of those products from other countries, there is an emergency clause that can be invoked limiting or cutting off those imports. And firstly, my question is: Is this true? And secondly, is the situation of the agriculture producers in this country not serious enough to invoke that clause? I would like you to comment on that.

MR. HORNER Well, it's true in a relative term. And if we cut off imports in such a way as that we damage the productive capacity of an exporting country to our country, they can claim those damages and we have had to pay. In the cattle aspect alone though, the damages would be very difficult for New Zealand and Australia to claim because in the year 1967 to the year 1977, for example, Australian cattle numbers increased from 18,000,000 head in '67 to 34,000,000 head in '77. And it's clearly demonstrated that they increased their production far and beyond, far and beyond their own capacity to use it. So they were really increasing on pure speculation. So the



damages would be very very difficult indeed, in my opinion, for them to claim any on our restrictions on the imports into our country.

Q.:               What about Canadian producers?

MR. HORNER   On the question of Canadian producers, we have limited, I would say, cut back extensively. For example, in '76, the imports of beef from New Zealand and Australia were 186,000,000 pounds. We have cut that back to 120 and this year about 122,000,000. So that gives you... And we have and Australia has agreed to the 1.5 per cent increase that we allotted this year. They have agreed and we'll live with that. And there is no disagreement between Canada and Australia in that regard.

P.M.:           So we do have the right to ask about and we are exercising that right.

MR. HORNER :   And we have exercised it. And if you want to know why the 1.5 formula was arrived at, because that was the closest round figure to the growth in population in Canada. Our growth in population I think in '76, the base year, was 1.39 per cent. And so we rounded it off. I might say that the United States had an increase or allowed an increase of 1.6 per cent. So we were actually more stringent one could say than the United States was in the same regard.

Q.:               Mr. Horner. This is with regard to some of the things that were set out at IPSCO this morning. When you were talking to the Canadian Petroleum Association, you said that they should put the bug in the Provincial Government's ear to get moving on setting the tax rate on oil with regard to the heavy oil upgrading plant near Lloydminster. Do you feel that an attitude like this may cause a rift between the Provincial

Government and the Federal Government?

MR. HORNER: Oh, no. Oh, no. I said quite clearly that in the decision-making process, it's always beneficial to know in whose court the ball is. And in this particular instance, I had met with the President of Husky Oil who is the catalyst in organizing the number of producers and putting together a heavy oils plant and the expenditures of the money and he agreed with me that before they can actually go forward and sign contracts and get into the business of the construction end of it, they'd have to know what the royalty was with regard to the Saskatchewan Government. So all I was pointing out to them making it quite clear that in whose court that ball was and I think Premier Blakeney clearly recognizes this and I don't think there is any disagreement on that.

P.M.: I can add I talked to Premier Blakeney this morning and this is of course his point of view: that it's up to them to decide the question of royalties, for instance. There is obviously a willingness and a desire on the part of both governments to move forward and we said so much in the press release after our conference in Ottawa, two or three weeks ago. And this is not saying that the Saskatchewan Government should proceed differently. Obviously, they're bargaining and they're bargaining as best as they can. But they know and everyone knows that until they've reached a decision on the royalty question for instance, we can't expect the project to move.

Q.: Did you get a time frame from Mr. Blakeney when you talked with him this morning?

P.M.: No and if I had I probably wouldn't reveal it. Because he is naturally bargaining on behalf of the people of Saskatchewan and he wants to reach the best bargain possible with the private sector. And we respect that. But I think

it's quite fair to say as Mr. Horner said, that the ball is in his court and we wish him well.

Q.:               Monsieur le Premier ministre,  
Ce matin le Gouvernement fédéral a annoncé que dans le domaine ferroviaire, il y aurait des changements et des nouvelles mesures ont été annoncées. Jusqu'à quel point le Gouvernement fédéral respecte-t-il les recommandations du rapport de la Commission Hall dans ce domaine et jusqu'à quel point aussi est-ce que l'entente entre le Fédéral et le Gouvernement de la Saskatchewan est-il complet à ce sujet?

P.M.:            Eh bien, en ce qui concerne les recommandations du rapport Hall, la décision du Gouvernement a été précisément de procéder à la réhabilitation de ces sections qui ont été définies par le rapport Hall. N'est-ce pas, monsieur Lang?

M. LANG:        Oui, c'est conforme aux recommandations de M. Hall. Il veut que nous donnions plus d'argent pour les chemins de fer mais ce projet de réparation des lignes est très important et, je crois, le plus important pour ce moment-là.

P.M.:            Vous demandiez aussi à propos des négociations avec le Gouvernement de la Saskatchewan. To what extent?

M. LANG:        Il ne s'est pas agi de cette question. Nous avons eu des discussions concernant les terres sous les lignes de chemin de fer et nous n'avons pas beaucoup de progrès à rapporter aujourd'hui.

Q.:               Monsieur le Premier ministre. Vous avez vu ce matin des francophones de la Saskatchewan manifester ici en faveur des droits du français.



On parle beaucoup de l'unité canadienne, c'est temps-ci. Qu'est-ce que le Gouvernement fédéral peut faire pour justement donner les droits fondamentaux à ces Canadiens français?

P.M.: Eh bien, les droits qui relèvent du Gouvernement fédéral leur sont déjà acquis. C'est-à-dire que leur droit d'avoir accès aux services du Gouvernement fédéral dans une des deux langues officielles -- soit le français -- c'est un droit acquis. Alors, sans doute, en ce qui concerne leurs rapports avec le Gouvernement fédéral, ce n'est pas à ce sujet qu'ils faisaient des réclamations tout à l'heure.

Si je comprends bien leur position, leurs revendications concernent surtout le domaine scolaire. Dans ce domaine-là, vous n'êtes pas sans savoir que ces droits relèvent de la juridiction des provinces. Nous pouvons, en tant que Gouvernement fédéral, donner des sommes d'argent aux Provinces pour que ces sommes soient appliquées dans l'enseignement de l'autre langue officielle: le français dans cette province, l'anglais dans le cas du Québec. Effectivement nous donnons des sommes considérables qui se chiffrent par centaines de millions de dollars. Mais encore une fois pour ce qui est de la juridiction, la possibilité de faire des lois dans le domaine scolaire, nous ne pouvons qu'enjoindre aux Provinces de faire du progrès dans ce sens-là. Effectivement, nous l'avons fait. Je l'ai encore fait non seulement depuis plusieurs années, une fois par année, mais je l'ai encore fait plus récemment dans une lettre aux Premiers ministres des Provinces au mois de septembre, où je leur enjoignais d'accepter des garanties constitutionnelles pour les droits scolaires des minorités francophones ici, anglophones au Québec et il semble y avoir un peu de progrès, du moins dans le domaine des intentions tel que ça a été révélé il y a deux semaines à la réunion des Premiers ministres à Montréal. Mais il reste que les francophones ici et les anglophones au Québec ont raison de réclamer leurs droits. Quant à nous, je ne peux pas m'empêcher de souligner que dans le cas de la Saskatchewan, par

exemple comme dans le cas d'autres provinces, c'est vraiment le Gouvernement provincial qui a juridiction sur les commissions scolaires, qui devrait agir. Parce qu'on sait que les commissions scolaires très souvent ne répondent pas aux intentions exprimées par le gouvernement provincial. Par exemple, le dessinage des cartes, etc., on ne progresse pas aussi vite au niveau des commissions scolaires que les gouvernements provinciaux eux-mêmes disent vouloir progresser. Alors cette sorte de réclamation, de pression est bienvenue. C'est le rôle des citoyens de réclamer des gouvernements ces droits. Et quant à nous, nous les appuyons. Nous avons tout à l'heure organisé une rencontre avec la Fédération des Francophones Hors Québec. Trois ministres, je crois, doivent les rencontrer à l'instant même.

Q.: Ma question fait suite à celle qu'on vient de vous poser. Compte tenu de la composition ethnique des Prairies, il n'est pas rentable pour les dirigeants de l'Ouest de reconnaître le français comme langue officielle. D'accord, l'éducation relève des provinces, mais est-ce que le temps ne serait pas venu pour Ottawa justement de multiplier les initiatives dans ce domaine et justement pour assurer à ces groupes minoritaires leurs droits au point de vue éducation. A ce moment-là, les dirigeants ne seraient pas obligés de prendre cette décision qui pour eux serait peut-être très impopulaire?

P.M.: Eh bien, oui. Mais je ne peux pas partager ce point de vue. Que ce soit populaire ou non, il s'agit de reconnaître une réalité de base de ce pays. C'est qu'il y a des francophones et des anglophones et les deux groupes contiennent des gens qui ne veulent jamais s'assimiler à l'autre groupe. Or, puisque l'éducation relève des Provinces -- encore une fois -- il faut que les gouvernements provinciaux prennent leurs responsabilités. Et je le répète: le Gouvernement fédéral a pris plusieurs initiatives pour les amener dans cette direction, non

seulement des propositions d'ordre constitutionnel qui garantiraient aux minorités - francophone ici et je le répète anglophone dans le Québec -- accès à l'éducation dans leur langue, dans leur langue maternelle. Et en plus, encore une fois, nous versons des centaines de millions de dollars pour permettre à cette éducation de se faire. Mais la loi de base de la démocratie et de notre système fédératif, c'est qu'il y a différents niveaux de gouvernement et ce sont ces niveaux de gouvernement là qui doivent en premier lieu agir. Bien sûr, le problème démographique auquel vous faites allusion est réel, mais dans tous les discours faits par nos députés et nos ministres, nous rappelons à la population -- et je crois que ce serait le devoir des représentants au niveau provincial de rappeler à la population -- un réalité de base. C'est-à-dire qu'il y a quelque 27 p. 100 de la population qui a le français comme langue maternelle et si le Canada doit rester uni, il faut que ces gens se sentent bienvenu chez-eux, non seulement dans une province mais dans le pays tout entier.

Q.:           Monsieur Trudeau, un petit peu dans le même sujet. Depuis ces derniers jours, vous avez rencontré pas mal de monde dans l'Ouest. Etes-vous en mesure de discerner à la suite de cette tournée d'ordre général la mentalité de l'Ouest a suffisamment évolué à l'égard de la francophonie, des groupes linguistiques pour espérer un règlement adéquat et satisfaisant au sujet de l'unité nationale?

P.M.:           Moi, je suis un optimiste invétéré. Il faut que j'exerce quelque modération parce que vous m'auriez demandé la même question l'an dernier et l'année avant et j'aurais dit oui, bien sûr, on s'aperçoit qu'il y a une évolution de la mentalité. Ce matin, j'étais à Estevan, par exemple, petite localité où il n'y a pas beaucoup de francophones, quoique les gens étaient venus des endroits environnants et il y avait parmi eux un certain nombre de francophones. Eh bien, la question a été soulevée à un moment



donné et sauf erreur, il y a de vos collègues journalistes qui étaient là, ça été bien accueilli quand j'expliquais cette thèse, que eux-mêmes devaient se rendre compte qu'il y allait de l'unité du pays de savoir qu'ici on comprendrait par exemple qu'il a y 4,000,000 à peu près de francophones dans Québec qui ne parlent pas d'autre langue que le français. C'est-à-dire qu'il y a autant de gens dans le Québec qui ne parlent pas l'anglais qu'il y en a dans l'ensemble des Prairies, population totale comprise. Alors il faut faire ce travail d'éducation. Je crois que les membres de notre Parti le font ce travail d'éducation. Je crois qu'un certain nombre de gouvernements provinciaux sont bien orientés dans ce sens. Mais c'est à la base, ce sont les gens des médias et ce sont les opposants de cette thèse qui ont encore à se convaincre de la réalité d'un Canada officiellement bilingue.

Q.: Une autre question, si vous permettez, dans un autre domaine. Il a été bien établi que l'objectif de ce Cabinet itinérant qui voyage à travers le pays avait pour but de rapprocher l'administration fédérale de la population. Il faut reconnaître quand même que cette fois-ci ce déploiement ministériel a pris considérablement d'ampleur, une trentaine de ministres et sénateurs à travers trois provinces. Etes-vous en mesure de dire d'après vous qui aura le plus bénéficié de cette tournée? Est-ce la population ou le Parti libéral?

P.M.: Eh bien, la question peut se poser après chacune des tournées. Evidemment, il se trouve que c'est le Parti libéral qui forme le Gouvernement actuellement, et je ne pense pas que ce soit possible de dissocier l'un et l'autre. Simple-ment, les observateurs objectifs savent qu'un des problèmes de ce vaste pays, c'est que le Gouvernement fédéral n'est pas assez présent dans toutes les régions. Parce que nous travaillons tous à Ottawa, parce que nous avons là cinq jours par semaine à nous occuper de nos affaires, nous ne pouvons pas être présents

dans les régions. C'est pourquoi on reçoit souvent de l'Ouest et de l'Est des requêtes à l'effet que le Gouvernement devrait être plus présent, devrait se réunir plus souvent dans les différentes régions du pays. Nous avons effectivement depuis maintenant un an, un an et demi, fait des réunions du Conseil des ministres dans les cinq régions: la région atlantique en septembre '76; ensuite Vancouver, ensuite Toronto, ensuite Montréal et maintenant ici. Ca va continuer, tant que le Gouvernement libéral continuera au pouvoir. Et nous estimons que c'est de l'intérêt du pays qu'on puisse rencontrer comme ça été le cas depuis trois jours, que la population puisse rencontrer son gouvernement fédéral. Et vraiment, il n'y a aucune espèce d'objection à cela sur aucun des plans que je puisse concevoir. La population y a énormément avantage. Si en plus le Gouvernement peut comprendre mieux les aspirations locales, eh bien c'est aussi tant mieux pour le gouvernement.

Ce genre de question n'a pas été posé par exemple quand nous nous sommes réunis à Montréal, ou quand nous nous sommes réunis à Toronto, ou quand nous nous sommes réunis à Bathurst, ou quand nous nous sommes réunis à Vancouver. Pourquoi est-ce qu'il se pose tout à coup maintenant... Est-ce qu'on devrait s'interdire de venir dans l'Ouest?

Q.: Mr. Trudeau, this morning, your ministers in the agricultural session, talked about long range remedies for the current problem that the Canadian agricultural movement is demonstrating about with the beef. I was curious. A number of groups demanded or asked for some kind of immediate legislation to help the beef producers. I was wondering: does your Government have anything in mind over the short term to remedy the situation?

P.M.: Well, as Mr. Horner explained in answer to another question, we have legislation now which permits us to do it. The Exports-Imports Act permits the Government to limit imports

of beef for instance in certain circumstances, and we have used this Act. And as Mr. Horner indicated, we are acting now to limit imports from New Zealand and Australia. There is the question of putting this power and this legislation in a further and distinct Act, a Meat Import Act or a Meat Trade Act, or something. Mr. Whelan told us this morning that he would want to discuss this with us in Cabinet next week. And we will be all ears. But I must repeat that this authority does exist now to control imports and exports and it is being used and it has been used in the past.

MR. HORNER I might just add on that point, just of interest. Cattle numbers in Canada, we have our house and this applies to the earlier question too, we have our house fairly well in order and the American situation has righted itself a lot. Their cattle numbers have come down from 127,000,000 heads to 116,000,000 heads and so you can't place damages or claim damages against the country which has taken strides to get their house in order. Our cow numbers are down drastically and from last fall even. So I'm looking forward to a very, an upturn in the cattle prices you might say to the farmer and I'm looking forward to an optimistic year.

Q.: Prime Minister, some people shameless, cynics and skeptics as they are...

P.M.: I've just heard it in French, I'm sure I'm going to hear it in English.

Q.: ...have said that this trip has been a thinly disguised election tour and since no real government work was done, the Canadian taxpayers shouldn't pay for it and I wonder how you respond to that?

P.M.: Well, I can't conceive that some people, except the



most rabid partisan, would entertain that kind of nonsense.

I didn't hear it expressed when Cabinet met in Vancouver some year ago, I didn't hear it expressed when we met in Montreal as a Cabinet some three or four months ago, I didn't hear it expressed when we met in Toronto, I didn't hear it expressed when we met in the Maritimes, as a full Cabinet for a couple of days, listening to briefs, meeting the population, visiting the various regions, understanding their concerns, explaining Government policies and then coming together as a full Cabinet exchanging views on what had to be done and what should be done.

I can assure you that some decisions were taken this morning which are of very great importance in terms of what we will do for the West. We've talked to some here. I think that in the area of some of the native problems for instance, this meeting this morning was to me a very very important one and Ministers who attended the briefing session\$this morning reported with some detail the actions which were, which should be envisaged. So, if we are going to respond to the need of the Canadians in this very vast land, to be seen to be their Federal Government, and that Ottawa not only be viewed as a distant capital if it's important to the unity of this country that they realize that the Government in Ottawa is also their government, that it is present physically to hear their concerns and to explain their policies, then indeed we will not have countered any of the centrifugal forces which are at work in Canada. So, there's obviously no apology for their Government meeting in different parts of the country. There's also often been a proposal as you know to have a western capital so that the Government could be there for months at the time. The problem with that is I suppose if we met in Vancouver, then the people of Regina would say: Well, that's just as far, just as distant emotionally as Ottawa and you're doing no good. So instead of having a western capital, we're having the Government increasingly present in the regions. Now, if this is the part of our jobs as governments, then there should be no excuse to come here in

government planes anymore than there is when we go back from our constituencies to Ottawa -- Members of Parliament do that as you know at Government's expense, whether they are on the Government's side or in the Opposition's side -- they get free rides to the capital or from the capital back to their riding. So we're doing this as a Government. We don't apologize for it. We will continue doing it insofar as we are able and we can only lament the cynics who think that the Government should stay holed up in Ottawa and not be present with the people meeting their concerns. There may be a problem of timing. You might say: Oh that was all very well to do that last December, but you shouldn't be doing it in March. Well, I ask you: Should we stop being the Government when? In the six months before an election, or a year and a half before an election, or what is a reasonable period? It seems to me this kind of argument is one that we should always have earlier and earlier elections so that the cynics you described so lamentably would not be able to say: Well, this is a pre-election period. You know we've got another year and four months to go before the timing is up for another election. So what do we do? Do we stop acting as a Government for that whole period and ask the Liberal Party to take over the country? I think you would be the first to blame us.

Q.: Mr. Prime Minister. Mr. Lang said that a decision of tremendous importance for the West was taken with respect to the Prairie rail line rebuilding, and you, yourself, has cited repeatedly the last couple of days, numerous decisions which your Government has taken to benefit the West. In keeping in mind your remarks last night that with three members sent to Ottawa, Saskatchewan appears to be well on its way to taking over the Government and into shifting government priorities towards the West. What would profit the West to send more members to Ottawa?

P.M.: Well, they'd get more, I suppose. It's always a job for a minister from a province, whether it be Jack or Otto or Joe to take the floor and give an argument that something more should be done in terms of policy or in terms of legislation or in terms of funds for some particular projects. And this is the basis of our representative government that we have members there and ministers there who speak for their areas. Now, I don't think that the three gentlemen I just named are cowed or intimidated by the fact that they are not numerous. But certainly the whole conception of our Parliament in a federal system is that we attempt to have as many members as possible on the government's side from the various regions. And I've said before that I find it a weakness in our Parliament that, for instance, the Conservatives don't have more members in Quebec and we don't have more members in the West.

MR. LANG I was just wondering, Prime Minister, whether I could add that because I have the direct experience of having been there from Saskatchewan alone for a while and then having had Ralph Goodale and Cliff MacIsaac there alongside and while the things we are getting are curing certain of our ills. They're not unnecessary things for the West, but there is a case that has to be made and that's why I'm going to be very eager to have more top quality people that are there to try and do that job.

MR. HORNER: If I might add a word, Mr. Prime Minister. I would like to think that I could do everything, but there is so much happening in Alberta, I'm not apologetic - I need help and there is just too much happening, too much going on all over in the oil, the gas industry, the tar-sands which you, Mr. Prime Minister, were very interested in yesterday, the cattle industry, the manufacturing industry. I'd be the first to admit that I need help and I want Alberta to send me some help.

P.M.: I think Mr. Calamai is probably an Easterner



and he is afraid the West is going to take over this country. We'll match them man for man so you can relax on that. You're probably a European Canadian, judging by your name.

Q.: *Oh - I know*  
Mr. Prime Minister, by the West taking over Canada do you mean Mr. Joe Clark?

P.M.: Well, I made a noted speech in Edmonton a couple of nights ago. I'll send *you* you a transcript. Thank you.

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GOVERNMENT OF CANADA  
TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE  
OTTAWA, MARCH 16, 1978 - 4:30 p.m.  
TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE  
OTTAWA, LE 16 MARS 1978 - 16:30

RELEAS  
AT 9:00

R.                   Monsieur le Président, je voudrais annoncer que le Premier ministre a décidé de nommer un président désigné au Conseil de recherches en sciences naturelles et en génie à compter du 1<sup>er</sup> avril, dans la personne de Gordon MacNabb. M. MacNabb était sous-ministre aux Mines, à l'Energie et aux Ressources et il sera dorénavant remplacer en date du même jour, le 1<sup>er</sup> avril, par M. Marshall Cohen, qui devient donc sous-ministre de l'Energie, des Mines et des Ressources.

Mr. Gordon MacNabb who is Deputy Minister of Energy, Mines and Resources has been appointed today as President designate to the Natural Sciences and Engineering Research Council of Canada, effective April 1st and he will be replaced by Mr. Marshall Cohen who is presently on a year's study leave at Harvard University known to some people as Mickey Cohen.

Q.                   M. le Premier ministre, j'aimerais vous demander des nouvelles des amendements constitutionnels, savoir à quel stade ils en sont et quand on peut s'attendre à ce qu'ils seront présentés. En supplémentaire, j'aimerais savoir si lorsque la législation sera présentée, elle suivra la procédure normale ou si elle passera directement devant le comité parlementaire.

R. Eh bien, comme je l'ai toujours dit, les plans sont les mêmes. Nous comptons présenter ces mesures devant la Chambre des communes avant la fin de la présente session. Je n'ai pas de date plus précise à vous donner, malheureusement. Je regrette beaucoup, Catherine.

Q. Et quant au sort de la législation devant le comité?

R. Eh bien, on verra comment la Chambre veut en disposer à ce moment-là. Comme d'habitude, ce sera une question à discuter entre les leaders parlementaires de la Chambre des communes, des différents partis. Les plans ne sont pas plus précis que ça. L'important c'est de tenir à cet engagement de mesures qui seront présentées avant la fin de la session.

Q. M. le Premier ministre, hier en fin d'après-midi, vous avez rencontré M. Basford et M. Blais pour discuter entre autres, je pense, de l'affaire Cossitt. Est-ce qu'on pourrait savoir où nous en sommes enfin dans cette affaire Cossitt?

R. Oui, je peux répéter ce que le ministre de la Justice a dit cet après-midi en Chambre, qu'il avait l'affaire Cossitt à l'étude, qu'il ne voulait pas se prononcer à la légère, qu'il avait consulté des autorités, et il comptait faire une déclaration bientôt. Nous en sommes là.

Q. M. le Premier ministre, il y a un article dernièrement qui a indiqué que les déclarations du Toronto Star sur ces documents et également les déclarations de M. Cossitt, seraient de fort peu d'importance. Est-ce que c'est pour cette raison qu'on attend, depuis quelque temps, un dénouement quelconque dans l'affaire Cossitt?



R. Ce serait pour quelle raison? J'ai mal compris votre question...

Q. ...est-ce que c'est pour cette raison qu'on attend le dénouement...

R. Eh bien, vous verrez par la déclaration, si le gouvernement croit que cela a de l'importance ou non. Moi, j'ai dit que <sup>cela</sup> avait de l'importance, que la police elle-même, le service de sécurité, m'a informé que effectivement, le coulage de certains documents pouvaient nuire considérablement aux intérêts du peuple canadien. Et je m'en tiens à cela.

Q. Mr. Prime Minister it is already clear that one of the questions to be debated in the coming federal election will be, in very simple terms: is the Federal Government borrowing heavily to finance its own deficit and prop up the dollar going bankrupt. How will you respond to that?

A. To finance its own deficit? Well, naturally when you have a deficit you have to borrow whether it be one million or one hundred million, so anytime a government borrows whether it be federal or provincial or municipal it is financing a deficit. If it wanted to raise taxes instead of borrowing it could do that but in contracyclical budgeting it is generally recognized that when you want to stimulate the economy you borrow rather than raise taxes and so to the extent that that accusation as you say is made it won't be anything new at least since Maynard Keynes in 1936 it's been a recognized government practice. What was the other part of the question?

Q. I have a supplementary question. Well, the other part of the question was that the charge has already been made that because the government is having to borrow heavily to cover its expenses and because it's having to borrow and make arrangements to borrow to prop up the Canadian dollar that in effect the country, the government is living beyond its means and is in a sense bankrupt.

A. Well surely, you know, this really doesn't make sense. You can ask or think what you want but, as I say, most governments in Canada today, I don't know of any, which are not in some measure stimulating the economy and therefore which are not running deficits of a certain size and they are borrowing to finance those deficits and they are not bankrupt. As I had

occasion to indicate in Alberta just last week, maybe you are giving me an easy way to make a point, thank you very much, the Canadian public debt is less than half the size it was just 20 years ago compared to gross national product, compared to the size of the Canadian economy we're borrowing considerably less now than we were 20 and 25 years ago and we weren't bankrupt then and we are not bankrupt today.

Q.                   Some years ago your own office hired an economist Dr. Vern Atrill of Toronto to conduct some special studies. Dr. Atrill has been delivering lectures in Canada and other countries and his remarks have been reprinted in financial newspapers in the U.S. in which he claims that: "The Canadian Government is the biggest bankrupt in town and one of the biggest in the world." Are you familiar with what Dr. Atrill has been saying and are you concerned that he has been delivering these lectures here and in the United States?

A.                   I wasn't familiar with that particular quotation. It puzzles me somewhat because out of sheer coincidence I read something just about a week ago that was written by Dr. Atrill and it was quite buoyant about the future. So, maybe he's over-stating his case: things are terrible but they are going to be great which is, you know, a trick that orators sometimes use.

Q.                   I wonder if you could spell out just a little more in a little more detail Prime Minister what it is that Mr. Basford is studying. I take it that as the Justice Minister if there is in his opinion and in the opinion of his advisers evidence of an offence Mr. Cossitt will be charged and if there isn't, he won't be charged and that a clear statement is going to be made as to just what it is you got or don't have on Mr. Cossitt. Is that a reasonable assumption?

A.                   Yes, that is a reasonable assumption. You have to realize that when an offence is charged under the Official Secrets Act it isn't proceeded with in the normal way, the police going and swearing an information and a judge issuing a summons or a warrant. In the case of the Official Secrets Act



it calls for a fiat from the Attorney General. The Act specifically calls for that. So, this is a case where responsibility is on Mr. Basford's shoulders as Attorney General. He can't say the police think this or think that. He has to make up his mind as the prosecutor I would say in this case whether he is going to prosecute whether the case can be successful, whether he has the right amount of proof and whether, in other words, the case can successfully be made before the tribunal and that is his decision and his responsibility and as he said in the House this afternoon he intended discharging that responsibility with all due care and caution.

Q. The word that he used was "soon" I think. It is now sometime since this investigation was begun. Over a week since some material was collected around the town and various people interviewed. Can you give us some idea when "soon" means, what "soon" means?

A. Well, when he said "soon" that was about three, two and a half hours ago and I would say you should start counting "soon" from then which presumably would mean within a day or two. That would be my guess.

Q. Mr. Prime Minister, could you give reasons why there appears to be a hesitancy on the part of your government to bring in a budget this Spring?

A. Well, Mr. Chretien has given a few reasons and I can repeat them: he brought in the mini budget in October, cut taxes substantially in October. Those tax cuts took effect in January and February and before planning a further budget he wants to make sure that the effect that those taxes were supposed to have has taken place or alternatively if it has not taken place he will make a judgment on what kind of a budget is needed. Therefore, he is waiting for a proper assessment to take place. Beyond that, one has had budgets in March, in April and in May. I think we even had one in June in the past ten years, I'm not quite sure of that date, I know we had some in the Fall so you can have budgets at various times.

is going on for any length of time we will have a budget.

Q. What about the Opposition accusation that you are reluctant to bring in a budget so you won't have to let the country know what kind of a deficit we are facing?

A. Well, that obviously is a phony accusation because Mr. Chretien has stated that he will tonight in front of the Finance Committee make a statement about your precise concern what kind of a deficit the country has. He will give very precise facts on that and as to the other accusation that they wanted to discuss the economic situation well they've been doing little else in the past few months, so certainly Parliament is a good place to discuss it.

Q. Prime Minister, in the days following the start of the October Crisis which, I believe, was about the 5th of October, you said in the House of Commons at least four times before the end of the first week in November and I believe you said again a number of times in early 1971 that there would be a replacement of what was then and still is very controversial War Measures Act and I am not aware of any statement you made in the intervening period which explains why there has not been action on the part of your government on that question. I'm wondering what the reason is.

A. Well, if you are not aware you must have missed a lot of press conferences and I've answered that certainly half a dozen times. The first is usually to point out that the question is incorrectly asked because the War Measures Act was replaced by another Act. The War Measures Act had an immediate effect because we had to act quickly in order to try and track down the terrorists and so on and we brought it in as you know by proclamation but within weeks in the House of Commons that War Measures Act was replaced by an Act of Parliament precisely of the kind that you are asking for. Admittedly that Act of Parliament has since expired and at the time we said and we still continue to say that ideally the Criminal Code or the Statutes of Canada should have some measure which would permit you as we did in November and December of 1970, to act in emergency situations without having to proclaim the War Measures Act. The name of which is so

horrendous. So, I repeat we did bring in this measure. It was brought in, I believe, around mid November in 1970 and lasted two, three months, I guess. It would be desirable if we could amend the Criminal Code or once again the Statutes of Canada to permit in certain circumstances the government to act with all due haste without having to go through the long delay of getting writs, search writs and, you know, writs.

Q. But in the face of a similar incident, your government presumably would resort to the War Measures Act because there is no replacement for it in the context?

A. Unfortunately that is true.

Q. May I ask a supplementary: the Prime Minister will remember I have raised that particular question with him a number of times including at a London Conference where you said that one of the reasons was that the Opposition has wanted too many other things it considered more important in terms of legislation. One of the other points you made was that the press hadn't really called for it. I wondered if those two factors still operate in explaining why you haven't come forward with the legislation.

A. Well, it's a bit of a gamble. We know that if events apprehended insurrections, were to take place again we'd now be caught short without these special measures. We'd have to use the War Measures Act again. And, we know how distasteful the very name is. And I suppose that is a gamble which is taken by the government when it hasn't these past several years brought forth a special measure which would give the government the power to do what we did in 1970 but under some other name. Now, in times when the crisis is past when everybody is rather relaxed and unconcerned this kind of legislative measure would take a long time to get through the House of Commons and it's perhaps in that sense that I said what you quote me as saying that it's unlikely that the Opposition would within a few days give that kind of an amendment to the government and it's unlikely that the media would be urging the Opposition to go along with the government. In other words, I think most of us, the government, Oppositions and general public would prefer not to face that problem in the hopes we'll never have to use emergency



powers again and that's a risk that the government of the day has to take. If we had a lot of time and a lot of leisure I think we would bring such a measure before the Parliament and have it discussed and debated without passion but I know as well as you do that the events of 1970 do evoke passion and that people would say: well, here's a government which is giving itself power to infringe civil liberties again and arrest without warrant and so on and I don't make any apologies that I thought then and I still think that the Statutes of Canada like the Statutes of most every democracy should contain certain provisions to act within emergencies where terrorism is being perpetrated. We don't have this power except under the War Measures Act and it's unfortunate that if the circumstances arose again, we wouldn't have this legislation but I repeat what I was saying to Mr. Taylor having used the War Measures Act for a period of a few weeks, we went to Parliament and we said: now, you be the judge, do we need this legislation and Parliament said: yes, in this particular crisis you do and they passed it but now the crisis is not with us, it's unlikely that they would pass it without lengthy debate and the government has in using its legislative time taken the gamble that we wouldn't need emergency powers as much we needed shall we say legislation now on the pipeline or legislation to amend the Labour Code or whatever.

Q. Prime Minister, subsequent to October in 1970, the police with the knowledge and consent of the government sharpened their focus on political dissent particularly in Quebec and the evident product of that was the memo dated February 12, 1971, from John Starnes to the police approving disruptive tactics, coercion and compromise. Coercion is coercion and compromise, I take it from the testimony that we have heard from the McDonald Commission could embrace blackmail. The Mounties who have been pretty careless about the safeguarding of certain documents that they have marked "Top Secret" haven't been able to find the terms of reference for this new G-4 Force that they set up. Given the government's encouragements and consent after October '70, can you enlighten us on what you thought you were getting at that time?

A. I can in very general terms and without being able to confirm any exact dates. I do know that the police were distressed, we were distressed and I believe the general public was distressed that in front of the terrorism perpetrated over a period of several years by the FLQ and I say several years before 1970, all the way from the bombings to the raids on arsenals to the blowing up of rail lines, a couple of murders one of a minister and one of a night watchman, we were pretty distressed that the police could give us a fair amount of information on the danger from the Communist countries but they couldn't give us much information on who were the terrorists in Canada and after those circumstances, I remember discussing with the then people in charge of the police and security the need to have more information on our indigenous terrorists and this meant looking into in particular the FLQ and people who wanted to use terror and undemocratic means to further political ends in Canada to wit, separatism and this applied also to other forms of lawlessness in other parts of Canada which was taking place either in the universities or in other forms of clash and confrontations in the street so this is, you know, a very, very clear memory on my part that we asked the police to beef up their information in these areas.

Q. Mr. Prime Minister, I would like to lighten up your day: at the recent Liberal Convention your followers passed a resolution which is always close to my heart not to mention millions of other Canadians and that is for decriminalization of marijuana. Is your government now ready to introduce such legislation? I know you have many pressing issues.

A. Legislation was pressing news, you say?

Q. I say you have many pressing issues but are you ready to decriminalize the use of marijuana?

A. Well, I suppose what the government wanted to remind our delegates at that convention was that we were favourable to the decriminalization of marijuana, that we had introduced legislation to that effect I guess it was last Parliament when it passed through the Senate or was it an

earlier Session of this Parliament, I don't remember the exact date, and several Ministers spoke in favour of the decriminalization so that's a way of saying that the government still thinks this is the right policy and that it should be passed but like many things this died on the order paper as many things will die on this order paper which are urgent and important and the important thing I think is that in terms of applying the present legislation the courts and the police officers have been told that we didn't consider simple possession to be as serious as it used to be.

Q. Prime Minister I have asked you this question for the last three years and in the meantime thousands of Canadians, young Canadians, are ending up with senseless criminal records. You have been promising and promising and yet you don't seem to come across.

A. Well, I repeat there is a lot of legislation which dies on the order paper because we can't get it through Parliament. There is no doubt when that was passed through the Senate and once again I don't remember the exact date, if we could have brought it in the House of Commons and passed it, we wouldn't have been hearing about it in these terms again. We'd probably be hearing about some other issue of decriminalizing trafficking or something like that but this has not happened and I'm sorry. It's like a lot of other good government legislation, it doesn't get through the House of Commons. If we have an election we'd probably try and propose legislative reform or reform to the House so that we can move things forward with great expediency and we'd include that. Support us and you'll get decriminalized.

Q. On a slightly different subject, I wonder if you could say whether you were disappointed at the results of the Belgrade Conference and if not, what can you say it accomplished?

A. Well, somewhat disappointed, yes. I don't think that much concrete progress was effected. I'm still satisfied that the Helsinki Agreement was the right one since it permitted us at Belgrade and before and since to continue to refer to it as a beacon, as a statement of intentions, particularly by the Eastern Block countries to be more respectful of freedom of



movement of peoples and of ideas and of what we call democratic rights and liberties and therefore I'm disappointed but I think that we were right to sign it at Helsinki that the document still stands and I'm hopeful that we will make every effort to continue to make progress.

Q. Prime Minister, the Deputy Prime Minister in the House this afternoon when asked a question about potential legislative program for the post-Easter period spoke quite specifically about the pre-Easter period but not about afterwards. It is also understood that the Cabinet this week discussed various constitutional options to be included in the proposals in whatever form you decide to make them. Those have also been understood to be the major hurdles which you wanted to get over before considering an election. I wonder what you would consider the likelihood now of a post-Easter session in the Commons?

A. I would say it's rather great, just as great as it was last week. You know there is more chance that we'll have a session after Easter than we won't have a session after Easter. That was your question, wasn't it?

Q. Prime Minister, I would like to return to Ken Lawrence's question about the so-called mini budget of last October. When it was put together, did you have a timeframe in mind as to how long you would wait and see, to see if those measures had an effect on the economy? Did you say six months, did you say five months, seven months or what or did you have no idea whatsoever?

A. No, I do remember the question of timing was brought up because then you will recall that Mr. Chretien had just been named Minister of Finance and with his usual zest he wanted to bring certain stimulus to the economy, cut taxes in a certain way. He met with the provincial counterparts you will recall and proposed to them that together we share the costs of cutting out sales taxes. So, he was anxious to get rather quick effect and he had a choice then of having a normal budget someway into the session which would have been — we began I believe on the 18th of October — which would have been sometime in mid November, after we got through the Speech from

the Throne and certain urgent measures, we would have gotten around to a budget or having a mini budget without the long debate which it entails which would take effect very soon on the 1st of January and he opted for the most urgent date, the earliest one, even though it meant not going through the long

normal budget debate. So, he had in mind the urgency of the measures and he had in mind that he would like to see them take effect as soon as possible. I believe there was then a question which was brought up about the income tax forms and that you had to do this quickly if you wanted it to take place in January and February rather than in March and April or May or whatnot, so, that was the reason why he went quickly and we said: well, the quicker you go, the quicker you'll be able to bring in the cuts and then the quicker we'll be able to judge <sup>their</sup> effect on the economy and I don't think it's unreasonable when you've injected a stimulus of some three-quarters of a billion dollars through these particular measures not to say the others, the ones of January and February, to see what it is doing to consumer demand. We had a report yesterday, was it from the Conference Board of Canada stating that I believe the investment intentions based on consumer intentions were up and that, I don't have the exact report in my head, but it was to that effect. You can look at it. I think it came out yesterday saying that the outlook is bright for the rest of the year. They are making the judgment that the stimulus of January and February -- I don't want to put words in their mouths but I'm interpreting what I understand them to say and feel that the stimulus has taken effect and we can let it go. If Mr. Chretien reaches this conclusion, he obviously won't have to stimulate any more. If he feels there has not been enough stimulus he will want to stimulate more but it's perfectly reasonable for him to take his time to make that assessment because if he stimulates too much, as you know, it will not create jobs, it will create inflation.

Q. To put a supplementary Prime Minister, did you not set a deadline of any kind?

A. Well, if you are talking in terms of a circle that you put around a day on the calendar, the answer is no. I don't think you'd do that back in the end of September to sort of say we will know by the 5th of March or by the 5th of April, you know, you see how things develop. A budget, after all comes sometimes in March, sometimes in April, as I said, sometimes in May. Generally there is not this hallucination with it. It's just because you're thinking of other events that you want to know a particular date in March or April.

Q. Prime Minister, you said a few moments ago that if there is an election you might seek legislative reform in order to transact business in the House more quickly. Do you feel that the Opposition is obstructing government business to the point where you're going to call an election on that issue and if there is an election, will you campaign on that issue?

A. No, the answer to both questions would be no, qualified as you put it in your question. There is obviously some obstruction when you get a motion to adjourn today and another was it yesterday or the day before and the parties are obviously saying they don't want to sit any more. They're obstructing the discharge of government business. They don't want the legislation to pass. But, I wouldn't say that we'd campaign on that and that it would be a major issue. I think people out there generally say well, the government is the government, it has a majority, it should get its legislation through. We had this example not so long ago about somebody was complaining about the marijuana laws. You know, you are the government, get them done and it's no excuse, I think it's not always acceptable as an excuse to say: well, you know we can't get all our legislation through. The Opposition doesn't co-operate.

Q. Would you call an election on that?

A. No, my answer is no but I would hope that a new Parliament would sit down and deal with this matter and make Parliament a bit more efficient<sup>while</sup> keeping it completely democratic and giving all parties time to say their piece but going as I said many times before perhaps a little bit more



in the direction of the United Kingdom where they spend one day on second reading. They don't take ten and twenty as happened in some measures this session. On second reading they say we are for or against the principle and then they spend more time at the committee stage but these are such basic legislations that you'd think they'd have the overwhelming support of an Opposition that thought it was ever going to become the government but obviously they don't think they will so they don't co-operate.

Q. Sir, Mr. Chretien has said that he needs more time to decide whether any measures are necessary or not. You say you endorse that view but if Mr. Chretien needs, let's say, until sometime in May or should need until sometime in May or later to decide what, if any, measures are necessary and you were to decide to call an election, then there would be no possibility of a budget even if one were economically necessary or desirable so the question arises are you in effect saying that Mr. Chretien's judgment on whether a budget is necessary or not and his judgment on how long he has to wait to reach that conclusion, will those be crucial factors in your deciding whether or not to hold an election this Spring?

A. They won't be the decisive factors but they'll certainly be considerations. If we thought for instance that certain measures to be taken before mid April and to be announced by then were clear and imperative for the good conduct of the economy then obviously I'd say we can't dissolve until then. If Mr. Chretien were to say: well, you know, I'm not sure I'll be able to tell you before the middle of June, I don't think I'd undertake to wait until then to make up my mind if we want an early election or not. I'd say let's get the election over with and then we'll have the budget as soon as we return. Cut taxes and everything and all those popular things. We'd do them after the election rather than before. No, I think your question is well meaning because you're obviously a very intelligent young man. No, but, you know, they are linked but I don't think one determines the other. Mr. Chretien is the Minister of Finance and like

previous Ministers of Finance he decides when he would like to have a budget. In normal years this causes no problems. If I see that we're on a clash course I'll say: well, have it sooner Jean or else have it rather later because I need an election but until I've decided I need an election I can't give him any guidance. I say: you do your normal planning, do your job as Minister of Finance and I'll do mine and he respects that.

Q. Prime Minister, do you have any personal preferences? Would you rather call your election in 1979?

A. I would like to have got it over with last Fall but then people would have said: Aw, that's too soon, too soon. So, I waited and now to quote one pundit I made the worst political mistake of my entire career.

Q. Mr. Prime Minister, on the two hundred mile limit it has been reported that negotiations have broken down and I'm wondering if that is in fact what has happened, what other routes are available? Will it have to go to political levels to settle that question for Canada, our interests?

A. Well, I'm a little bit embarrassed here because I'm not -- we are negotiating with the Americans and I don't want to make any announcement that would harm those negotiations. I'll try to be cautious and maybe if it's useless caution we'll give you the truth a little later in an hour or so. I do know that I met Mr. Cadieux our negotiator and he said he was having difficulties on some final but very important questions, that many, many of the difficult subjects had been -- tentative agreement had been reached subject to the overall package and there are some difficulties in that last bit and I believe both negotiators have gone back to their principal. As I say Mr. Cadieux has come to me for certain instructions and I believe President Carter is also receiving Mr. Carver, I believe it is, so, I'm not quite sure what happens here. My inclination would be to tell them to continue negotiating a bit more. I don't think that I'd want to see a political decision imposed now either to break off or to do something unilaterally or arbitrarily but I can't say what is happening between the

negotiators.

Q. One supplementary: how much emphasis can we put on the goodwill that we have seen increasing between Canada and the United States with your statement to Congress etc., those kinds of things?

A. In a sense that's why I'm so cautious in my answer. I believe that goodwill exists. I believe our negotiators have made tremendous progress. And, I am inclined to believe that we should prolong their mandate a little bit but I wouldn't propose that unilaterally and because I don't know what President Carter has said at the other end I'm hedging a little bit but since I saw Mr. Cadieux on Tuesday, it's quite possible both negotiators have agreed on one course or another and we could tell you if you give External Affairs a call right after this press conference. They might say well we can't say anything more or they might say well, we've agreed to prolong or agreed to break off alternatively.

Q. Prime Minister, a moment ago you were enthusiastically citing the latest report of the Conference Board of Canada on economic prospects of the country in the next year. I wonder how you feel about that in light of today's news that the President of the Conference Board has just quit his job to run as the Conservative Candidate or to seek the Conservative nomination in Ottawa Centre?

A. Well, I think that's a tremendous boost for us. If a man who is obviously a Conservative can say such nice things about the government they must be true. We'll use that in the campaign. No, seriously I think it just proves that Mr. deCotret is a professional and when he acts on the Conference Board he does, he calls things as he sees them. Now he's going to be a politician and he won't always call them as he sees them.

Q. With the seal hunt going on we have had American Congressmen come up and deplore the hunt. We've also had a British M.P. plan to come then cancel the trip. Does the Government plan to do anything to put a better face or give other governments what we see as the true facts of the seal hunt?



A. It's on the seal hunt but I'm afraid I was lost. Do we want to put a better face on it?

Q. Many government members of other countries are condemning Canada for the seal hunt. Is the Canadian Government planning to inform these governments about what they see as the true facts where the other people may be misinformed?

A. Well, I think you're probably rightfully making a distinction between members of legislative assemblies in other lands and the governments. I know of no government which has condemned the seal hunt. I stand to be corrected but I know of none. I do know of legislators, Americans and from other nations who have protested the seal hunt and <sup>who have</sup> written to me to that effect and I've answered them as I've answered thousands of citizens around the world who write to me about that, that here are the facts and you've been misinformed and the seals, the seal hunt has been monitored by humane societies and the humane societies say that the killing is humane and that it's being monitored by scientists who are saying we're not depleting the herd, that the culling of it is no different than culling other animals scientifically, to other herds scientifically to make sure that they don't multiply at a rate which would destroy his environment or the fishery and thirdly we say that you've probably been caught up a little bit in your emotions but go down to the abattoirs and you'll see a lot of blood and a lot of killing and that is something which takes place on this world of ours that every species has its predators and man is a predator of many species. The important thing is that we don't let that instinct or that need to eat food or to use pelts lead us into erroneous judgments about protecting the species itself.

Q. Mr. Prime Minister last week I went through a very novel experience although I've been in the news business for a good many years when I was visited by the police with a search warrant and they seized some unaired film that we had taken in connection with a press conference Mr. Cossitt

had given. I think Bruce Phillips of CTV was in the same position. I complied with the order on that occasion but since then I've worried a good deal about the presence of the police in the offices of news organizations. The newspapers this morning carried another report of police visiting a newspaper in Ontario to seize all negatives in connection with photographs that had been taken in relation with a labour dispute. It seems to me that no matter what the legalities are that if the police used that as a part of routine investigations the whole system breaks down. The impression is given that if your photograph is taken, if film is taken by a journalist, if you talk to a journalist, if he takes notes, that that is almost the same as having that material put into a police file immediately. I would like to know whether you're concerned about the presence of police in the offices of news organizations.

A. Well, you say one should be concerned because if you talk to a journalist you might end up in the police file. It seems to me if you talk to a journalist, as I am doing now, it's because you intend ending up in the files of everybody in the land. So, what is wrong with the police listening to what I'm saying publically to you or listening to what Mr. Cossitt said publically to you and others? I really can't see why the press would be sensitive about that. If somebody is talking to the media presumably it's because he wants to be heard. And should the police be the only ones in the land that can't hear what a man wants to be heard by everyone else.

Q. Well, when are they going to talk to Mr. Cossitt then instead of coming rummaging around our files?

A. Well, what is your complaint?

Q. I mean if it was a public statement --

A. You've recorded what Mr. Cossitt wanted to make public. Why don't you co-operate with the police ---

Q. Well Prime Minister there's a great many things that might be said to us which are in confidence or unused and we don't want to make them public.

A. You invite me next December and I'll talk to you about that.





TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE - OTTAWA -  
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Q: Monsieur Trudeau, il y a 10 ans, vous étiez élu chef du Parti Libéral du Canada. A ce moment-là, on avait déjà ce problème de l'unité nationale qui était devant vous. Dix ans après, est-ce que vous avez l'impression que les données du problème ont évolué ou est-ce que le pays en est encore au même point?

R: Cela ne fait pas de doute que le pays a évolué. Il y a 10 ans, nous étions encore à lire le rapport B.B.

qui recommandait une sorte d'égalité linguistique et disait que c'était essentiel pour l'unité nationale que cette égalité soit parachevée. Je pense que si vous regardez ce seul point, vous verrez un progrès considérable non seulement à la loi sur les langues officielles mais l'augmentation très nette et réelle du pourcentage de francophones à Ottawa dans les postes de commande à tous les niveaux: au niveau exécutif, au niveau intermédiaire et au niveau de nominations par arrêté-en-conseil. Je pense que l'objectif, il y a 10 ans, était de prouver aux Québécois qu'ils pouvaient parfaitement se réaliser et avoir accès aux postes de commande dans ce pays à tous les niveaux politiques et ceci a été prouvé. Pour ce qui est de l'action dans les autres provinces, évidemment, le progrès est plus lent et même on peut dire qu'au Québec, il y a eu un certain mouvement rétrograde. Alors, pour ce qui n'est pas contrôlé par le gouvernement fédéral, je ne peux pas dire que les progrès aient été énormes, mais si vous prenez les provinces une à une, vous verrez certainement que le nombre d'écoles dans des provinces comme l'Ontario ou l'Alberta même, où maintenant l'enseignement se donne en français, où l'enseignement peut se donner aux minorités francophones, a augmenté considérablement. Ici même à Ottawa, les écoles d'immersion française qui n'existaient à peu près pas sont

maintenant nombreuses. Alors, certainement qu'il y a évolution et dans le bon sens, et je n'hésite pas à dire que sans cette évolution-là, l'option séparatiste serait beaucoup plus populaire au Québec. C'est parce qu'il y a un nombre considérable de Québécois, à ce qu'on me dit la majorité, qui croit encore au Canada parce qu'ils ont vu que le progrès est vraiment possible quand on envoie à Ottawa des représentants qui peuvent convaincre leurs concitoyens de la justice de leur cause.

Q:           Monsieur le Premier ministre, en déposant cette semaine ces amendements au code pénal afin de permettre l'utilisation des deux langues officielles devant les tribunaux canadiens, le ministre de la Justice, M. Basford, déclarait que quatre provinces semblaient disposées à appliquer quasiment immédiatement cette loi, vous avez parlé du Manitoba, du Québec, du Nouveau-Brunswick et de l'Ontario. Hier, le Procureur général du Manitoba, M. Mercier, déclarait que les coûts de cette application seraient exorbitants et qu'il fallait bien se rendre compte que cette loi visait avant tout à protéger la minorité anglophone du Québec. Est-ce que c'est aussi votre point de vue?

R:           Ce n'est certainement pas mon point de vue. La minorité anglophone du Québec n'a pas besoin, pour le moment, de cette protection puisque le juge en chef de la Cour supérieure du Québec a jugé que cette protection existait en vertu de la constitution, en termes généraux: la présence des citoyens devant les tribunaux. Alors dans notre esprit, c'est une loi qui, au contraire, cherche à faciliter de partout cet accès aux tribunaux d'instance criminelle, d'instance pénale, l'accès aux citoyens dans l'une ou l'autre des langues officielles. Nous nous rendons compte que ce n'est pas possible d'espérer que du jour au lendemain on trouve des jurés en nombre suffisant dans des provinces comme la Colombie ou dans certaines régions de l'Alberta, etc. Mais l'important, c'est qu'effectivement

le ministre nous a fait rapport que quatre provinces pouvaient maintenant ou très bientôt y avoir accès, nous permettant ainsi de proclamer cette loi dans leur province. Bien sûr, il y aura une question de coût qui est toujours à discuter.

Q: Est-ce que le fédéral est prêt à assumer ces coûts, parce que M. Mercier disait espérer que le fédéral pourrait y participer?

R: La question n'a pas été posée encore et nous n'avons fait aucune garantie dans ce sens. Nous espérons que les provinces qui ont l'administration de la justice à leur charge pourront défrayer les frais de cette administration de la justice. Mais comme je l'ai dit à plusieurs reprises, si les provinces veulent que nous prenions en charge les minorités, anglophones au Québec et francophones dans les autres provinces, si les provinces veulent que nous assumions juridiction directe vis-à-vis ces gens-là, soit dans le domaine scolaire, soit dans le domaine de la juridiction législative ou judiciaire, nous sommes prêts à un amendement constitutionnel qui nous donnerait la juridiction et qui nous obligerait à payer effectivement. Alors, tout cela se discute.

Q: Comme le disait mon collègue, vous avez déposé ce projet de loi qui va permettre aux francophones pour la première fois de se défendre dans leur propre langue devant les tribunaux ou du moins en matière criminelle. Cependant, M. MacEachen aujourd'hui, en annonçant l'ordre du jour n'a pas annoncé discussion de ce projet de loi. Est-ce que c'est votre intention de pousser pour que ce projet de loi soit adopté avant le déclenchement d'élections ou est-ce que vous croyez que l'on peut attendre les événements?



R: Je crois que vous avez mal compris. M. MacEachen et moi d'une façon plus indirecte, nous avons dit en Chambre que nous voulions que ce projet de loi passe le plus tôt possible et que si l'Opposition pouvait s'entendre avec nous pour que ce projet de loi passe dans une très courte période de temps, nous ferions un accord pour passer ce projet de loi le plus tôt possible. Je vous rappelle seulement aussi que un député de la région d'Ottawa, M. Jean-Robert Gauthier, a présenté un projet de loi privé dans le même sens et le gouvernement l'a appuyé. il y a déjà un bon moment. Et c'est devant la faillite de voir ce projet de loi appuyé par les partis de l'Opposition que nous avons introduit le projet d'amendement au code pénal et nous sommes prêts à le passer le plus tôt possible si nous obtenons le minimum de collaboration de l'Opposition. Evidemment, s'il n'y a pas d'élections bientôt, nous prendrons le temps qu'il faut mais si les élections doivent venir dans une période relativement courte, nous espérons qu'un certain nombre de projets de loi d'ordre prioritaire soient passés et M. MacEachen a mentionné que justement dans ce domaine-là il espérait que l'Opposition s'entendrait avec lui.

Q: On the subject of the budget, you have said repeatedly, and even consistently, that you feel that there isn't very much money in the federal treasury and it would be irresponsible to introduce major tax cuts at this time. I wonder then what you really can offer in a budget and why you feel it is necessary to bring in one, apart from the fact that the Opposition has asked for it?

A: Well, the substance of the budget obviously will give you the answer to your question. I had always consistently said that there had been some substantial tax cuts in last year's budget which were taking effect this year, that there was substantial tax cuts announced last November which took effect in January and February, and that the Minister of Finance would be assessing the effect of those on the economy; and that when a budget came - because he has never said there would be no budget; he has always refused to be nailed down to a date before the end of March because he felt that was too soon to make this assessment, particularly for the January and February cuts. But he is in the process now - he has been, I would say, over a period of several weeks in making this assessment and you will see in the budget the result of that assessment.

Q: Why do you feel though that a budget was required at this time?

A: Why would I feel that?

Q: Yes.

A: Because a budget normally would come in the spring of a year and that budget, whether it increases taxes or whether it cuts them or whether it is perfectly neutral, is one which is putting before the country the state of the economy as seen by the government and the policy measures which it believes should be taken - once again either positive, negative or neutral - to deal with this economic situation as it is seen. It could easily have been held later in April or in May if that had been the desire of the country. But if there is a chance of an early election, we want to go to it with the assurance that the people won't think that we are afraid to deal with the economic realities. You wouldn't want that, I am sure.

Q: Maybe as a tenth anniversary present, Mr. Prime Minister, I

should pass.

A: That would be nice.

Q: You have talked about constitutional changes a lot in the ten years, and even before, and you did say on a couple of occasions that you were expecting to present something to parliament before dissolution, and I wondered where you stood on that at the moment; and if constitutional change is not what you consider your most important accomplishment in ten years, what is?

A: Well, what I have always indicated - and it was the words in the Speech from the Throne: that in the course of this session we intend presenting the same constitutional measures, and that is still our intention. I have no idea when this session will end but I would hope that it would not end before we had time to present these constitutional measures.

And you are asking what my most important accomplishment is?

Q: The second part of that question was: that if constitutional change has not been the accomplishment you are most proud of, what is the accomplishment in the ten years that you are most proud of?

A: Do you have a bit of time?

Q: Well, I said one.

A: They are all so important, I don't think you should nail me down to one. If you want a little list, I am prepared to give it to you.

Q: Can we hear the list? A short one.

A: All right. I think I answered part of the question when I was dealing in French with the linguistic equality and to the translation of that not only in the laws but in the practice of the French-speaking Quebec presence in the federal system at all levels of the public service and of Order-in-Council appointments. I think that was a very important accomplishment, one which was only a dream at the outset, something vague in the aspirations put forth by the B and B Commission.

But I think the best way to look at this would be to sort of ask yourself what outstanding problems existed in 1968 and how many of them are still with us.

I do think that if you are looking at foreign relations, for instance, China, the third option, the pacific rim, attitude towards the Third World, creation of the International Research Development Centre and so on, most of the problems which existed in a strident fashion there have been attacked and dealt with, though by no means all resolved



But certainly the directions of policy which were needed then have been taken.

I would include in that actions in the area of Canadian sovereignty, the fisheries closing lines on the east and west coast, the proclamation of the 200 mile limit, the pollution prevention legislation in the north, all these areas which were extremely important for the assertion of Canadian sovereignty and which have now been taken, and taken in a way which is accepted by the world community. I mean, that is just in foreign affairs.

What else then? Well, there was great concern, I remember, about the environment, about capital punishment, about the capital gains tax, about amendments to the criminal code in the areas of sexual conduct, about the divorce legislation - all these have been dealt with; all these have either been disposed of or a certain important step has been taken in terms of greater response to the present social requirements of Canadian society, in the area of social legislation also.

I guess the first act of our government, though the legislation had been dealt with before, but the first thing we did was proclaim the Medicare legislation and, you know, there has been a substantial reform in family allowances - a quadrupling of it, indexing of pensions, and particularly in those areas which help the under-privileged. So most of the problems which existed in those days, and which were spoken of rather vocally, have been dealt with. But shall I go on with the list?

Q: As a supplementary, perhaps you could hold some of the rest of that long list for the campaign; I am sure we will hear about it, sir.

I wanted to ask you in terms of legislation. You mentioned earlier about Opposition co-operation in passing legislation relating to language of trials. Are you now considering legislation either as part of Bill C-28 or separately to ensure that there will not be a postal strike during an up-coming election campaign?

A: Yes, we are. I think we will want to consult the opposition on that. As you know, the PSSRA (Public Service Staff Relations Act) amendments before the House do have a provision which would do for the public sector what exists now in the private sector - in other words, that a strike cannot come up when parliament is dissolved. It can be postponed by an Order-in-Council and that was done to the Labour Code for

the private sector. We would want it to apply to the public sector too and it is normal that that be done in the amendment to the Public Service Staff Relations Act. But unless we can get co-operation from the Opposition to pass that clause of that Bill, or the whole Bill, hopefully and I would be prepared to give them a sufficient number of days provided we could have a time limit, of two, three, maybe five days of

debate, then that should solve the problem. If we think this is not possible, we will have to consider perhaps specific legislation. Since the strike does seem imminent and is predicted in the course of the spring by CUPW, we would have to consider legislation, to not prohibit the strike but just to indicate that it should not be held in the course of an election because that would obviously disrupt the democratic electoral process. So much is needed in the course of an election to be communicated through the mails in terms of organizing the election and in terms of communicating information and so on, and we would hope that we would have co-operation from the Opposition - once again not to remove that right of strike but just to ensure that it not be exercised in the course of a democratic consultation like a general election.

Q: If the Opposition resists, sir, would you proceed on your own anyway before dissolving parliament?

A: Well, that is a bit hypothetical in its form. I would hope that they would not resist. I would hope that they would agree with us; that we don't intend it as a partisan matter and it is for the sake of every party and for the parliamentary system itself that we would take steps to ensure that a strike would not be held in the postal services. I would hope that they would agree to such a measure. If they don't, you ask me the question again next week.

Q: Mr. Prime Minister, someone sent me a copy of the Liberal Party document which sets out the instructions to canvassers. It is over the signature of Joe Cruden, who is the Finance Chairman of Ontario.

The one thing in it that struck me as interesting was the objective that the canvasser was to put to the corporate head office presidents if they could, that they were to ask for one-fifth of one percent of the company's net earnings - that is, the difference between the earnings after taxes and before. This envisages really enormous

sums, if you think that just in the last quarter alone industrial corporations have something like, Statistics Canada estimate, \$2-1/2 billion net profit. I just wondered: are you surprised at the scale of the need for funds for your campaign as represented by that figure of one-fifth of one percent and, if you are, where is the balance to be made in view of all the legislation that your government has put through that is in effect financing the elections through the public treasury?

A: Well, I am surprised at two things: first, that Mr. Cruden would have sent you this document. Maybe he wanted your constructive criticism of it and perhaps that is what he will get.

On the second point, I would certainly be surprised that what you call the enormous sums would be required, precisely for the reason that you say: we all have a limited amount that can be spent during an election period and perhaps this rule might apply to certain small companies; I don't know. But I am aware that the fund raisers have indicated that there was a maximum beyond which they would not receive funds from a large corporation, because we don't want to be indebted to any small number of large companies.

Q: There is no mention of -- there is a minimum. They are not to take less than 1,000.

But I just wondered - a supplementary question: how much do you conceive the Liberal Party - how many millions will your Party need from sources like that for this Campaign, given the other contributions that will flow from constituency recapture?

A: I don't think I could give you that figure offhand but I would be prepared to say that we should be able to do it for about 20 percent less than the Tory Party.

Q: You didn't list among your accomplishments the setting up of viable medical research infrastructure in Canada during the last ten years.

I have a letter signed by you in March 13th, 1978 to the Canadian Federation of Biological Societies that went to Dr. John.....



and you said the proposed budget increase in Medical Research Council this year is 7.8%. I am wondering if you have maybe found a hitherto undiscovered error in the blue book, because the blue book has 5.8% as an increase for the MRC, and that is confirmed by the Honourable Judd Buchanan, the Liberal Whip from Hamilton-Mountain, Hansard, March 7 - and I won't bore you with that. But a strong case can also be made of the increase - in fact, only 3.8%. The mathematics are boring, so I will hold you to 5.8.

The question is: if you say that the increase is 7.8% and your Minister says it's 5.8% - and these are not insignificant figures because 20% of Canada's medical research projects from last year have been ditched in the MRC figures and that's a lot of jobs. Why the discrepancy?

A: Well exactly, I would be very happy to take your question <sup>notice.</sup> as/

Q: Prime Minister, my question relates to the quality of your leadership. And in view of the fact that Mr. Chretien has asked Canadians to vacation in the country because it is necessary to keep Canadian dollars in the country for the good of the economy, I am wondering what quality of leadership you think you and your Ministers are giving who have recently vacationed outside the country?

A: Oh, I think one has to use one's individual judgment. We don't have exchange controls on in Canada. I don't think we would envisage them either. I think we have to rely on the individual Canadian's judgment, how much travelling should he do, how much of it should be in Canada, how much should be abroad.

I think Mr. Chretien stated forcefully an opinion that he is adhering to. I think it is good advice. Personally, I took my vacation in Canada last summer and I would advise you and others to take their vacations in Canada. If somebody didn't, I would not make a great fuss about it.

Q: Well, sir, I just wondered if you would answer the question and tell me what you think Canadians will think of your government preaching one thing and doing another?

A: Well, I hope they would listen to my advice to try and stay in Canada; but if some didn't, I would not make a great fuss about it. That's all.

Q: Mr. Prime Minister, some terrible cynics have suggested your recent Senate appointments amounted to little more than clearing some political dead-pins away to make room for new candidates. So I am wondering if you could tell us why Joe Guay and Stanley Haidasz were appointed to the Senate.

The second point of that question: do you think it detracts in any way from talk about Senate reform that is very current now?

A: Well, I don't know who the cynics are but I suspect you might be one of them. You give an example of two Liberals. You forget that we appointed two Tories at the same time and you don't ask questions about them. You don't ask about the two women appointments that we made either. You take two out of seven and you express some cynicism about this.

Look at the overall, look at the package, and ask yourself, if there is going to be a Senate, if this isn't the proper kind of balance to have: a few women, a few Tories, a few Liberals - all bright people into the Senate at this time, people who serve their community well in various capacities, either as public figures or as private figures.

But, you know, you talk about Stan Haidasz. He is a Member of Parliament since 1958. You know, twenty years is a long time to serve your people and get through election after election, to give yourself to the service of your constituency for that time. He is also the first Canadian of Polish origin to be sent to the Senate. To me one doesn't have to make an apology for that. I am sure the Canadians of Polish origin are very glad to have Mr. Haidasz in the Senate. As a matter of fact, I have had representation at least for the past five or seven years telling me that the Federation of Polish Canadians would like to have a Canadian of Canadian-Polish origin in the Senate, and if I could possibly see my way to let Mr. Haidasz leave the House of Commons, he would be an ideal candidate. So I think they probably have less cynicism than you about that.

I am sure the Franco-Manitoban population feel the same thing: it's time they had a French-speaking senator from Manitoba. I am sure the Jewish population of Newfoundland felt the same thing about Mr. Marshall.

We try to have a Senate which represents the various groups

of the community. I know that the people who are concerned with -- every time I scratch my nose, don't take a picture. You will waste a lot of film. I scratch my nose all the time.

Just listen to the clicks!

Florence Bird who is in the Senate, she was the head of the Royal Commission on the Status of Women; why don't you express some cynicism about that. I think she will be a very good senator.

Who else have I forgotten?

Q: Duff Roblin.

A: You would probably even agree with that, Charles. Here's to ten more years!

Q: Sir, since you are discussing appointments anyway, would you give us your thoughts on the Lieutenant Governors of Quebec and British Columbia who are due for appointment next month?

A: Yes. I think we should have a Lieutenant Governor appointed reasonably soon in both of those provinces. I think it should be a distinguished Canadian of either sex and of reasonable age, and a person hopefully who could serve the role of a representative of the Queen in the provincial legislation with dignity and competence.

Q: Do you have a timetable for such a paragon, sir?

A: Yes: before the end of the month. I think we would be able to find one in the province before the end of the month.

Q: Mr. Prime Minister, the latest Gallup Polls shows that your party is continuing to improve. Is it your assessment now that your Party could win a majority in the coming election; and, if the question isn't too simple-minded, apart from the budget, what are you waiting for?

A: Well, I suppose this rejoins my earlier answer: there are several items on the order paper which I would like to see passed before dissolution and hopefully, by taking a bit more time, we will get co-operation and pass several such items.

Certainly we would want to see the pipeline legislation come back from the Senate, we would want to see the post-inflation legislation dealt with, and there are some other items that I mentioned earlier. That would take us somewhere into the spring.

But I repeat: if we can't get - and as I said to the



Conservative House leader this afternoon - we see that we are not getting substantial co-operation from the Opposition parties, if they want the House to bog down well, then, we won't wait forever to get that legislation through. But it's just possible that they will want to co-operate to have this very important legislation passed.

Q: When you say you won't wait forever, that means you have some kind of a timetable in mind, obviously, in terms of the desirability of an election. Obviously without giving an election date, can you narrow it down to some time before the end of June?

A: Well, forever is a very long time. Obviously I would narrow it down to the constitutional limits. I couldn't go beyond July 1979, not even if I wanted to. But I would think that every four years is a normal time for an election, four years more or less - a bit before, a bit after. You didn't want me to have it earlier than four years, so you don't mind to have it a bit later than four years. But it would be more or less that, four or five, give a year or two; give or take a year or two.

Look, don't catch cold waiting out at the Governor General's.

Q: Prime Minister, in the last election you made a number of promises to the Canadian people. By my count you have only kept about half of them. So as we head into the next election, how do you defend that record?

A: Well, I suppose I would check your count for one thing and then I would say that what we have passed is all quality legislation, and some of the things which were not passed were due to the obstructionist tactics of the Opposition who, as you know, have wasted time and time again. What was it? Twenty-one days to pass a simple budget bill; endless debate on some issues which should have been dealt with on one or two days and second reading. But I think it would be easier for me to take notice of your question and check your list and see if I agreed with it, and then I would provide the rationale for what we did.

Q: Well, I think some of the measures are obvious - stick out rather obviously. The urban transit grants that were promised haven't been carried through on.

A: Well, not in whole, but it has in part.

Q: The loans for the working poor that was promised has been

scrapped. The licencing of lenders that was promised has been scrapped. Stage two of the competition bill you reintroduced, but obviously with not much intention of proceeding with it. These aren't measures you can blame on the Opposition.

A: Well, some of them we have proceeded with in part. For instance, the urban transportation legislation. We have said that because of the state of the Canadian economy, we would not want to spend - whatever it was - the full 500 million but we would spend 100 million at this time.

The competition bill, your assertion is not correct. We would like to get that passed. We have not been able to get a timetable agreed on much of the legislation which is before the House of Commons now.

Inevitably, whenever parliament is dissolved, there will be some items of our electoral promises are left on the order paper or not even brought into legislation. You will recall that we had the first session which lasted almost two years because it took us that much time to get some basic legislation through.

It is an easy game to sort of say, "You promised all these things and you only did some of them." If you could show where, in the unrollment of Cabinet and parliamentary time - you know, if we had taken endless vacations and fooled around with absolutely useless legislation and so on. But I submit that parliament, including all Parties, have been dealing with substantive legislation. They could probably, if the government had its way, done it quicker. But unless you make a case that parliament really didn't work hard, it is difficult to see that the government alone is to blame for the legislation which was not passed

You recall the debate on capital punishment; that took a very long period of time. You could say, "Well, it should have been shorter." Sure. We say it should have been shorter too on the budget bills from last year; but it wasn't.

Opposition Parties like to talk a lot on each of the bills and, when they do, naturally our members say, "Well, we can't let them have all the parliamentary time. We want to talk too." And that is natural for a member who has been elected and who wants his voice to

be heard in parliament. That is the way the system works.

I think if we went with closure very often, you would accuse the government of being arrogant, heavy-handed and riding rough-shod over parliamentary rights and so on.

That is another thing we have done in the past ten years: we have really done a lot for parliament. We have financed the research of the Opposition parties. We have set up a committee structure which would permit the committees to examine in depth the budgets of various departments. We have permitted parliament to have a certain number of days - something like 25 or 28 a year - so that they could use these days on Opposition time. I think we have genuinely attempted to enhance the rights of parliamentarians. It has not worked as well as we want. We always hope, and we continue to hope, that in a new parliament we would be able to have some form of time allocation and say, "Okay. There are ten bills on the order paper. You have all seen them. They have been given first reading. Let's sit down and try and agree that we will pass them all in a period of, say, 30 days." But we have never been able to do that.

Q: Prime Minister, with the dismantling of controls about to begin, I would like from you an overall assessment of the two and half years of wage and price controls. Has it been worthwhile, if you had it to do all over again?

A: I don't think we would have had any choice. Had we had it to do all over again, I think we would have done it the same way.

I understand other countries who are looking at controls, are looking with admiration at the way we did it, not complete controls of everybody, but controls of the bigger decision-makers in the society; controls brought in not just because inflation was high but brought in at the time when inflation was principally caused by domestic factors rather than international ones, and controls ended at a time when the domestic factors had subsided as causes of inflation, and when inflation which remained and which remains too high is not mainly caused by domestic factors.



Where wages have been brought down from an average of 22% increase on a yearly basis in 1975, for six months of 1975, calculated on a yearly basis, or down 22% to, now, something between 7 and 8, you can't say that they are now the cause of double digit inflation.

To the extent that food (much of which is imported) and energy (much of which is imported) are high cost and the costs have increased consistently over the past three years - several years - to the extent that these add to the cost of living, we say no form of controls can bring those costs down. What we want to do is be more economic in our use of energy and so on.

So I think the assessment would be a positive one. It was done largely due to the skill and the hard endeavours of the Anti-Inflation Board, Mr. Pepin and his group, Mr. Tansley, the Administrator, and it was due to the fact that hundreds of thousands of Canadians co-operated with the scheme.

Of course, we have some references to the AIB and some roll-backs. But what is surprising is that most Canadians co-operated and the majority of contracts, collective agreements, were signed within the guidelines. So I think it has not only been a success but it has shown that Canadians are prepared to accept this form of discipline when they see that their inflation is at a dangerously high level.

When, once again, inflation is no longer caused domestically but is the result of high costs of food or of things that we buy abroad because the value of the dollar is less, or because OPEC and other nations are quadrupling the price of petroleum, at that point you have to in a sense no longer call it inflation. It is a high cost but it is not something that we can guarantee ourselves against.

Insofar as the terms of trade turn against us, insofar as the price of foreign goods is increased by foreigners and we want to continue to buy them, this is no longer an evil of the economy in the sense that it is not inflation induced by mismanagement in Canada; it is inflation due to the fact that Canadians are having to pay more for what they buy from other nations - in other words, more wealth is transferred abroad. In that sense we are not growing as rich as fast as we used to be. This is something that we have to adjust to.

Q: Last night, Prime Minister, Mr. Rooney was re-nominated in

Bonavista-Trinity-Conception. As you know, he has been charged with influence-peddling and assault. Does that cause you any concern, his re-nomination, and are you considering possibly not signing his papers?

A: No, I would not consider that. I did make sure that I would interfere in no way, or the Party in no way would interfere with the nomination procedure.

He was elected, I understand, by an overwhelming vote against many opponents. I think the people of his Riding, the delegates to his convention, have made a judgment, that, as citizens, they will presume he is innocent until he is found guilty by a court, and having been nominated democratically, I would not propose to be any more severe than those who elected him.

Q: Prime Minister, earlier in this news conference you started listing a series of accomplishments. Ten years ago today you spoke of developing or creating a just society. Do you think that just society exists in 1978 in Canada, and if not, what remains to be done, and if so, what is your campaign slogan for the next election?

A: Well, I think I could give you a few figures on that but I don't want to keep you too late.

There is certainly a greater measure of justice than there was ten years ago. You can say anybody would have done that perhaps. But if you look in the area of the Criminal Code, in the area of parole, in the area of setting up a Human Rights Commission, in the area of the status of women, there has certainly been in all those areas an increase in justice or in equality of opportunity.

In the economic sphere, I was giving an answer in the House of Commons yesterday which I could repeat for your benefit, and it is that there are still too many Canadians who are poor, still something like 11% of Canadian families are below the poverty line. Now, obviously there is no perfect justice when you have that amount of poverty in Canada.

The significant thing is that when we came to power in 1968 there was close to 20% of Canadians below the poverty line. I am not talking about just a fixed figure, I am talking about an adjusted poverty - adjusted to inflation. So it

means that rather than something like 20%, you have something like 11% of Canadians who are poor. I think that is progress, and one could make the same demonstration in other areas.

Q: Does that mean the next campaign will also be on the basis of creating a just society?

A: Well, that might be an idea. We could say not a society where we could guarantee absolute justice in four years, but where we could guarantee progress towards more justice in the next four years. I suppose there would be some simpleton who could take that phrase and just say "Just Society", but in reality it would mean a more just society than it had been when we started out.



Q: M. Trudeau, ma question a trait à une déclaration du Premier ministre québécois qu'il a faite le 28 mars. Il a affirmé et je cite: "l'Ambassade canadienne à Paris s'est montrée mielleuse ou doucereuse juste au cas où la Gauche aurait pris le pouvoir en France et serait devenue son interlocuteur." Il ajoute encore qu'il a à ce sujet "un petit dossier". Est-ce qu'il faut comprendre qu'Ottawa s'attendait et se préparait même jusqu'à un certain point à une accession de la Gauche française au pouvoir?

R: Eh bien cette histoire est bien cocasse. J'ai bien envie de voir "le petit dossier" dont parle M. Lévesque. Les faits sont passablement différents. C'est peut-être amusant de les raconter. Je ne vois pas pourquoi il a inventé cette réponse à une conférence de presse. Ce qui est arrivé, c'est que nous avons appris à un moment donné que l'Internationale socialiste allait se réunir l'an prochain, je crois, à Vancouver et qu'un certain nombre de leaders viendraient au Canada et des gens d'envergure internationale. M. Schmidt, M. Callaghan, M. Mitterand, etc. Alors j'ai indiqué à mes services que bien sûr si ces gens-là venaient au Canada, ils seraient bienvenus d'arrêter à Ottawa et j'aurais plaisir à les voir. Un point c'est tout. Les services québécois ont découvert bien après que nous avions invité M. Mitterand. Alors ils ont fait cette, je pense, énorme sottise à deux jours du scrutin de se dépêcher d'aller inviter M. Mitterand pour ne pas être en reste avec l'invitation fédérale. Evidemment, ils se sont fait retourner et un peu ridiculiser. Et de peur que cette histoire ne soit connue et qu'elle sorte, M. Lévesque a imaginé d'accuser le fédéral de s'être précipité au devant de la Gauche. C'est une histoire ridicule qui est inventée de toutes pièces pour, je pense, défendre leur propre gaucherie, si je peux le dire sans jeu de mots.

Q: M. le Premier ministre, relativement aux propositions constitutionnelles, il est question que vous les présentiez d'ici la fin de la session. Est-ce que... peu importe la longueur de qui reste de la session? Quand et de quelle forme prendra cette présentation des propositions constitutionnelles?

R: Eh bien, comme la session, vraisemblablement, ne durera pas plus tard que la fin de juin, je vous demanderais d'être un peu patient et de voir ce que nous allons présenter.

Q: La rumeur voulait que M. Goyer ne se représente pas à la prochaine élection. Est-ce que vous pouvez commenter là-dessus?

R: Non. Je préfère que vous demandiez à M. Goyer qui a une assemblée à Montréal ce soir. Et je crois qu'il doit annoncer ses intentions. J'espère, quant à moi, qu'il se représentera parce que c'est un ministre excellent qui était fort injustement jugé, je crois, par l'opinion qui le connaissait mal. Mais il doit annoncer ce soir ses intentions à son assemblée de comté. Je vous invite à être présent et à prendre ses commentaires en note.

Q: Mr. Prime Minister, last week you indicated that you would be prepared to dissolve parliament if the opposition was playing politics with the budget and was not constructive. You have now had a couple of days to listen to their arguments and I am wondering if you have decided that they are not playing politics, and consequently are you prepared to let the budget debate run its full length?

A: I am prepared to give them a few more days, to give them another chance.

Q: On the budget, Mr. Chretien's call for Canadians to go out and buy and use their savings and yet to observe discipline and restraint--we have asked him this and I ask you this: How do you balance this? What, for example, are you yourself as a saver going to do to stimulate purchases?

A: The important thing is to make sure that our costs remain competitive. When we are asking people to exercise discipline, that is what we are telling them essentially--make sure that in your profits, your profit margins, in your wages, in your salaries, in your take home pay and so on, you are not setting your costs up above a competitive level. That is what we mean by exercising discipline. I think it has always been erroneously interpreted as belt tightening, reducing spending and so on. I have never used those words. I have never used "belt tightening". That is what you write in a headline.

Our economic policy is to bring our costs down. That is what the Anti Inflation Board attempted to do. That is what we are continuing to attempt now in our negotiations with the public sector unions. That is what we are attempting to do in our enjoinder to private corporations and so on, not to raise prices uselessly or needlessly.

That is one half of the equation. That is what we mean by "exercising restraint". On the other hand, we know that one of the causes of the economic slowdown is the lack of effective demand. A large part of that is because the world economies are in a jam. Canada is an exporting nation and we have not got effective demand from abroad. That is one of the reasons Canada's prosperity is much more tied to





world conditions than that of the United States--because we are such a large exporting nation. We cannot do much about telling the other nations to buy more of our goods. In a sense, when the dollar is devalued it is an encouragement to other nations to buy more of our goods.

Getting to the other part of your question, in terms of Canada effective demand has to be stimulated, so that more will be bought, more will be produced and more jobs will be created. Now, the way in which we have stimulated effective demand is by cutting indirect taxes. Mr. Chretien is telling people "Now you have got six months during which the sales tax is going to be taken off to a certain number of points; go out and buy". In this way, by stimulating consumption we stimulate production and create more jobs.

So there is no contradiction between the two sides of the equation, but they have to be understood not in terms of saying, on the one hand, "tighten your belt, don't buy more", and on the other hand "go out and buy more". We are not saying that. We are saying "show restraint in increases in costs and prices on the one hand, but don't put everything into savings". We have a rate of savings which I think is almost twice as high as that of the Americans, when as little as six or seven years ago it was considerably below the Americans. So we are telling Canadians "have confidence in the economy; don't put it all away in savings, go out and spend it", and we are cutting taxes now so that they can spend it.

Mr. Prime Minister, the process of decontrol begins tomorrow. Could you be prepared to reintroduce controls should inflation hit double digit figures again?

You mean, in the same circumstances or right now?

Within a few months.

Well, right now I don't think controls would be necessary. That is why we are bringing them to an end. Because the domestic use of inflation is not what it was two and half years ago. Let me call the figures again. In the first half of 1975 before we introduced controls average wage settlements were above twenty per cent; I think they were something close to twenty-two per cent. Now they are in the area of seven to eight per cent. So there is no need to bring in controls now to keep downward pressure on wages and profits; they are low. So controls would not be needed now.





But if we return to a situation where because of external forces, as was the case in 1973 and 1974 when oil prices increased fourfold, if external causes make prices go up in Canada, and as a response to that Canadian's say: "well, since the cost of living is going up, I don't care if it's the Arabs causing it or some drought in some other country, the cost of living is going up and I am going to ask for an increase". We were having increase demands, collective agreements for the first year of thirty, forty, fifty per cent. That is when the cause becomes domestic, and that is when you bring in controls. But that is not the situation now and I don't expect a rapid return to it.

Q: You are satisfied that labour won't make those <sup>heavy</sup> demands again?

A: I am satisfied they will not.

Q: Mr. Prime Minister, two months ago you said it was high time that the police were given the right to open the mails. You also justified giving the police this power right now while the McDonald Commission was considering the whole question in terms of national security. Yet last week when you talked about your priority legislation you did not mention C-26, the mail opening bill, and there <sup>been</sup> have <sub>^</sub>no moves to get it out of Committee. Are we to take it that the government is having second thoughts about the bill and that we could be going into an election with national security being jeopardized?

A: No, not at all. I think there are a lot of things in Committee and on the order paper that we would like to see moved forward. That is one of the bills. There are several others that I could mention to you. Certainly the amendments to the criminal code which would permit a person to use the french or english language in defending himself before the criminal courts, and so on. There are still a lot of things in Committee that we would like to see go forward. We are proceeding as fast as we can; we are not losing any time.

Q: Mr. Prime Minister, if the dollar continues to drop and if present measures to support it don't succeed in keeping it at the level that the government might like, would you resort to foreign exchange controls to support it?



A: Well, I don't like those kinds of hypothetical questions, particularly when they concern matters of speculation like the dollar-- "If such and such happens, would we do such and so?" I am telling you what Mr. Chretien said many times: We have a floating dollar. We hope it will reach a just level on world markets and we are not intervening to prevent it from reaching that level. We are intervening to normalize the jerks and the spasms, but we are not preventing it from seeking its normal level. Therefore, your question really is: Are we going to change our policy of a floating dollar, and my answer is no.

Q: Mr. Prime Minister, the Medical Research Council is cut this year twenty per cent on ongoing proven medical research projects in Canada, because reputedly it is underfunded by \$4 million at least. That is only about 1,000 jobs, only a slight decline in demand. Does the government subscribe to the view that in real economic terms it is better to buy medical research off shore, off the shelf, and sacrifice jobs and expertise and value added in Canada, and does the government feel that medical research is a low priority in the Just Society?

A: Are you the one that asked the question last week?

Q: That is right.

A: I am being handed the answer now. We will hand you the answer which we have here. I know you asked this question last week and I undertood to look into it, and apparently I am only getting now the answer.

Q: A supplementary question, Mr. Prime Minister. Is there a chance that on this \$60 million MRC budget there will be <sup>a</sup> supplementary advance made to the MRC later in the year?

A: On the general question of increasing our expenditures, whether it be to medical research or whether it be to many other deserving groups in society--pensioners who would like to have higher pensions and so on--we are exercising restraint. We promised to keep our budget growing at a level lower than the gross national product. I have had a lot of these special lobbyists for one particular area and generally I have indicated, and I imagine the figures are in there, that we have increased the allocations to the Medical Research Council and to the pensioners.





Q. M. Chrétien a accommodé la Saskatchewan et la Colombie-Britannique pour ce qui est du nombre de mois de réduction de la taxe de vente. Il a aussi accommodé l'Ontario pour ce qui est du fait qu'on voulait exempter les alcools et les tabacs, où la taxe provinciale venait justement d'augmenter. D'un autre côté, notre position québécoise a certains mérites dans ce sens que la taxe de vente ne se voit pas réduite pour les produits qui concernent l'énergie, comme par exemple, les voitures et les appareils ménagers. On peut dire aussi qu'elle a le mérite de favoriser des produits à très haut contenu de main-d'oeuvre canadienne, à comparer par exemple, à certains produits mécaniques où on importe les pièces. Quels sont, finalement, du côté fédéral, les problèmes causés et pourquoi le gouvernement fédéral n'accepte-t-il pas la demande Québécoise?

R. Eh bien, il y a plusieurs confusions dans votre question. Je vais essayer de les séparer les unes après les autres. Pour ce qui est de dire que ces réductions d'impôt, de taxe de vente ont du mérite, vous avez parfaitement raison. Personne ne dit le contraire. Au contraire, on veut que les provinces coupent leur taxe de vente, c'est le message même du budget. Alors si le budget de Monsieur Parizeau veut couper les taxes de vente sur les textiles, les chaussures, je trouve cela excellent, premier point, et on l'encourage à le faire. Deuxième point, vous parlez de la Colombie et de la Saskatchewan: dans les trois semaines avant le budget, M. Chrétien a parlé à tous les ministres provinciaux, quelques uns plusieurs reprises en leur disant, bien voici mon idée: qu'est-ce que vous en pensez si je fais telle chose. Depuis le mois d'octobre, on parle de couper la taxe de vente pour stimuler la consommation, voici mon idée - qu'est-ce que vous en pensez? Ces deux provinces-là ont dit, en tout c'est une excellente idée, simplement plutôt que de couper 3 points pour six mois, est-ce que vous permettriez, par exemple, qu'on coupe deux points pour six mois, et ensuite qu'on continue pour un autre trois mois, je pense à nos frais.





M. Chrétien dit, bon, c'est une des modifications que vous proposez, je vais l'examiner, on va en discuter. Il l'a examiné, il en a parlé aux autres provinces. Effectivement, c'était une proposition qui allait dans le sens général du budget, alors il dit d'accord. La différence avec le Québec, c'est que M. Parizeau dans les trois semaines qui se sont écoulées entre la première conversation et le soir du budget, M. Parizeau n'a rien dit. Il n'a pas dit oui, on trouve que c'est une bonne idée, mais pourquoi est-ce que vous ne prolongez pas, pourquoi est-ce que vous ne l'appliquez pas à certaines denrées, etc. Il n'a pas trouvé que c'était impossible, il n'a pas certainement utilisé le langage du Premier ministre, comme si s'était occupé de ses affaires les plus intimes. Il a dit, bon je vous donne une réponse éventuellement, il n'a pas fait de propositions. M. Chrétien a dit en somme, bon j'ai parlé à tout le monde et neuf sur dix disent, d'accord. Le dixième, le Québec, n'a pas dit d'accord, mais il n'a pas dit non plus qu'il était en désaccord, alors je fait mon budget et je vois ce qu'il va dire. Quand toute l'affaire est close, le budget est fini, M. Parizeau dit, ah bien, j'avait pensé à une autre affaire. Pourquoi n'en a-t-il pas parlé dans les semaines qui précédaient? M. Chrétien lui a parlé trois semaines avant, M. Chrétien l'a même rencontré avec le trésorier de l'Ontario, M. Darcy McKeough une quinzaine de jours, une dizaine de jours avant le budget, ils ont parlé de cela et M. Parizeau n'avait rien à dire. Il faut croire qu'il voulait pas coopérer, il ne voulait pas chercher une solution qui lui était agréable. Il préférerait qu'on fasse son budget et ensuite procéder par voie de confrontation. Troisième chose, vous dites l'Ontario, on a fait un cas spécial pour l'Ontario. Certainement, l'Ontario est exactement dans le cas du Québec, l'Ontario a dit, bon on va couper notre taxe de vente, mais on ne la coupe pas disons, sur les alcools et le tabac. M. Chrétien dit, très bien, coupez la pas, vous aurez pas le deux



points que je vous propose. Si vous ne coupez pas la taxe de vente, ne la coupez pas. Alors M. Parizeau dit la même chose, je ne couperai pas la taxe de vente sur les frigidaires, je ne couperai pas la taxe de vente sur les motos-neige, je ne couperai pas la taxe de vente sur les bateaux, tout ce qui est fabriqué au Québec. Alors M. Chrétien dit, bon vous êtes dans le cas de l'Ontario, je ne vous donnerai pas les deux points là-dessus si vous ne voulez pas les couper. Alors, l'Ontario a dit je ne couperai pas, et je m'attendais pas à ce que vous me donniez quelque chose en retour. Le Québec dit je ne couperai pas, mais je m'attends à ce que vous me donniez quelque chose en retour. Alors l'exemple que vous me donnez de l'Ontario sert plutôt à démolir la thèse de M. Parizeau, plutôt que de l'établir.

Q. Est-ce que j'en conclus que si M. Parizeau avait fait ces contre-propositions privément avec M. Chrétien, avant le budget, vous auriez accédé?

R. Je ne sais pas ce qui se serait passé à ce moment-là. Certainement que depuis trois semaines avant le budget, on essayait d'en arriver à une entente. Suite à l'entente fédérale-provinciale du mois de février, on cherchait à s'entendre avec les provinces. M. Chrétien a fait une proposition; certaines provinces on dit d'accord mais..., alors M. Chrétien l'a ajusté. M. Parizeau n'a rien dit, alors M. Chrétien n'a rien pu ajuster. Pour plus de sûreté, pour être certain que la proposition de M. Parizeau, qui nous paraît un peu contraire à l'idée d'un marché commun comme le font les souverainistes, M. Chrétien a téléphoné ce matin à plusieurs ministres des finances des autres provinces en disant, est-ce que la proposition de M. Parizeau vous agréait? Ils ont dit non, pas question, on a fait une entente entre les provinces. C'est pas près que le budget est clos et que nous nous avons déposé nos propres coupures, qu'il faut réouvrir toute l'affaire, sans quoi,





nous, nous allons réouvrir le débat nous aussi. Voyez-vous, ce qui est déplaisant là dedans, du point de vue des autres provinces et du gouvernement fédéral, c'est que nous avons adopté des mesures pour stimuler l'ensemble de l'économie, pour stimuler les consommateurs dans toutes les provinces, pour aider la petite entreprise, pour aider les marchands, et il y en a autant au Québec de petits vendeurs qu'il y en a dans les autres provinces. Ils ne vendent pas que des chaussures, que des textiles. Il y a beaucoup de marchands dans le Québec qui vendent des automobiles, qui vendent des frigos, qui vendent des bateaux, qui vendent des motos-neige, qui vendent un tas de choses, et c'est ces petits entrepreneurs que nous voulons aider par le budget. Que le gouvernement du Québecuille de son côté, aider plus spécifiquement le textile ou la chaussure, on est tout à fait d'accord. La taxe de vente est de leur juridiction, ils peuvent la couper autant qu'ils veulent. Simplement, nous, pour aider l'ensemble de l'économie canadienne, et aider les entrepreneurs dans toutes les provinces, y compris ceux qui vendent dans le Québec autres choses que des chaussures et des textiles, on a dit, on coupe la taxe de vente pour tout le monde, sur tous les sujets, et cela me paraît une mesure appropriée un budget national. Mais encore une fois, que chaque provinceuille aller au delà de cela; c'est le cas de la Colombie qui dit, on vous allez nous donner tant pour couper pour six mois, fort bien, mais nous, on va continuer de couper pendant deux ans, tant mieux, vous avez compris, c'est une bonne idée, c'est vos taxes. Mais quant à nous, on est prêt à vous aider de faire telle chose et on est prêt à la faire en discutant avec vous, mais qu'est-ce qu'on fait avec quelqu'un qui refuse de discuter, qui dit qu'il va y penser, qui y pense pendant trois semaines et qui ne peut pas donner une réponse.





Q: Increased in real terms?

A: Increased in dollar terms. You are really saying that inflation has gone a bit faster than the increase. Their grants are not indexed; that is reality. Maybe in that area to it would be necessary, as I was answering Mr. Lynch earlier, to exercise restraint and to lower costs. Maybe they should accept a little bit of a lower return for their research for the few years during which we are trying to become more competitive with others. But I am talking in theory. As I say, I have not looked at those figures. You are confirming that we have increased their grants in monetary terms, and that is what I suspected.

Q: Mr. Prime Minister, can you say when you will be presenting your proposals for constitutional reform and do you still intend to do so in the House of Commons; and can you indicate what the format might be?

A: I just keep repeating what we said in the speech from the Throne. We intend to put constitutional reforms forward in the course of this session. I hope it will last a few more days or weeks to give us the time to do that.



Q. M. Trudeau, si la crise du dollar s'aggrave ou se continue, est-ce que cela pourrait être un facteur dans votre décision d'en appeler au peuple ou non, retarder ou attendre...?

R. Je ne saisis pas très bien la question. S'il y avait une crise telle qu'il ne serait pas bon de dissoudre la chambre, parce qu'il faut que la chambre soit là pour en traiter d'une façon urgente, évidemment votre question aurait du sens et cela voudrait dire que je ne ferais pas une dissolution sans palier le problème d'une façon directe. Mais c'est une réponse théorique, je pense à une question théorique, je ne vois pas ce que le parlement peut ou devrait faire d'une façon directe pour empêcher les événements que vous décrivez.

Q. Depuis quelque temps, vous avez affirmé que pendant vos dix années de pouvoir, vous avez réussi à couper, à diminuer le nombre des gens qui au Canada vivent en dessous du niveau de pauvreté. Dans divers milieux, on a attaqué cette affirmation-là en disant que ce n'était pas tout à fait exact, c'était même faux dans certains cas. On a donné comme argument, notamment, que les critères de la pauvreté ont évolué depuis dix ans, qu'ils ont été révisés à la hausse par divers organismes, et d'autre part que l'une des raisons pour lesquelles les Canadiens, lorsqu'ils sont un peu plus haut que le niveau de pauvreté, c'est que dans beaucoup de ménages, il y a l'épouse qui aussi s'est jointe à la force de travail au Canada. Est-ce que je <sup>peux</sup> vous demander de commenter sur ces affirmations et ces réfutations.

R. Eh bien, pour ce qui est du deuxième point que vous signalez, quand je parlais de ce sujet, je prenais les personnes, je ne prenais pas séparément les familles et les individus seuls, je prenais les personnes, et je disais, et je dit encore que, en 1968, à peu près 20% des personnes vivaient au dessous du niveau de pauvreté, tel que défini par le Conseil économique du Canada. Et dix ans plus tard, plutôt que d'avoir 20%, il y a, je pense, 15%, disons 10%. Dix ans plus tard, quand on ajuste le même niveau de pauvreté et qu'on le multiplie par le coût de la vie, l'augmentation





du coût de la vie. Alors cela pour la première partie de la question. Votre autre partie de question était de dire, oui mais en dix ans, la société canadienne est devenue beaucoup plus riche. Et par conséquent, la pauvreté qui est une notion relative, devrait être ajustée, la belle affaire, je suis bien d'accord. Les Canadiens sont beaucoup plus riches maintenant, c'est justement la thèse que j'établis. Les Canadiens sont plus riches, je pense, d'à peu près 60 pour cent, en termes de pouvoir d'achat réel qu'ils ne l'étaient il y a dix ans. Alors, c'est sûr, si vous faites l'ajustement en disant toute la société est plus riche, donc les pauvres aussi devraient être plus riches, que le niveau de pauvreté qu'on définissait il y dix ans n'est plus le même qu'aujourd'hui. Il ne faut pas l'ajuster seulement en termes de changement du dollar, mais il faut également l'ajuster en fonction du fait qu'un homme pauvre vivant dans une société plus riche, est plus pauvre que s'il vivait dans une société plus pauvre. Ce sont des sortes de contortions qui prouvent que la notion de pauvreté est relative. Bon, soit, si vous voulez faire ce calcul-là, vous arriverez à des chiffres un peu différents. Je pense que plutôt que de partir de 20 et de descendre à 10%, vous partez de 18 et vous descendez je pense, à 11.6. Alors qu'est-ce qu'on a démontré: que mes chiffres s'appliquent, sont valables si on ajuste les niveaux de pauvreté simplement au facteur de coût de la vie, mais que si on ajustait au fait que l'ensemble des Canadiens sont devenus plus riches, et par conséquent, la ligne de pauvreté devrait être plus haute d'autrefois, bon, vous trouvez des chiffres un peu différents: 8 comparé à 11, 11 et demi, quelque chose comme ça. Mais, C.Q.F.D.

La proportion des pauvres aujourd'hui est beaucoup moins considérable qu'elle l'était, il y a dix ans. Mais je fait cela justement pour donner de la contre-partie à ceux qui me citent des statistiques, pour dire que tout va chez le diable. J'ajoute toujours que, bien sûr, il y a trop de pauvres chez nous, puis il faut continuer de créer des emplois, et marcher vers la prospérité, et stimuler l'économie, etc. Simplement, ceux qui disent qu'il n'y a pas eu de résultats, et tout est pire que cela ne l'était, qu'après



dix ans de Trudeau, il y a plus de pauvres qu'avant, ce n'est pas vrai. Quelque soient les chiffres que vous preniez, vous arrivez au résultat que je dis, que la proportion des pauvres par rapport à la société totale, même avec votre définition de pauvreté relative, s'est abaissée de beaucoup en dix ans. Alors voilà.

Q: Mr. Prime Minister, the sales tax dispute with Quebec seems to be <sup>a</sup> classic kind of situation. We have had decade after decade where the federal government offers the Quebec government money with certain strings attached and the Quebec government claims that its priorities are being distorted. Aren't you afraid that once again, this just reinforces the idea that Quebec is separate from the rest of the country and that there may even be some electoral danger for you in this dispute because it shows that after a long decade of a liberal government in Ottawa relations with Quebec still go round in the same old circles?

A: Yes, I share a little bit your sense of desperation and feeling of "Here we go again". And yet we had months of preparation for a federal-provincial conference, begun, as I say, with meetings by me with all the premiers, a meeting by Mr. Chretien with all the finance ministers, not once but several times, trying to establish





a monetary policy with the provinces that they would agree with; recognizing that the provinces had some justification to say "well, when you said budgetary policies, you know, they affect us, why don't you discuss them beforehand?"; recognizing that as far as last October one province had proposed a cut in sales tax to be partly financed by the federal government; recognizing that the C. D. Howe Institute and others said the right approach to the budget is not to cut income tax but sales taxes; recognizing that Mr. Parizeau himself says yes, that is the approach, to cut sales tax. We went through all kinds of contortions; as I say, three weeks of discussions by Mr. Chretien, including several with Mr. Parizeau alone and then with Mr. McKeough to try and reach an agreement. And we reached one with nine of the ten provinces.

We felt that here at last was a budget that will have been the result of consultation, and it was not done without risk of leakages and the need for adjustment, as I was saying in French a little earlier. If someone asked for particular deals or special deals, we took them into account. But what do you do with a province that sits through it all with tight lips, refuses to give any answer and says "I'll tell you later what is my answer, wait and see what it is", and then says "Everybody is out of step but me"? This was three weeks following something like six months of intensive cooperation, and then this one government, the separatist government of Quebec, says "well, federal-provincial cooperation doesn't work; they have made a deal and we think they should have made us another deal". Why didn't they say so in this intensive period of discussion before?

Why? Because they don't want it to work. They don't want federalism to work. They don't even want cooperation in budgetary matters to work. And that is nothing new: They want to break up the country, so naturally they make sure that whatever we do they could not agree with. They did not say, "well, look, if you do it this way we can't agree, why not do it another way?" They did not answer anything, they just kept their mouth shut and just let us do something that everybody thought was, in the circumstances, a proper economic



remedy. And then they say it is wrong.

But they do not say it is wrong at least in theory, because they themselves are cutting sales tax. All they are saying is that they should cut them in a particular way and we should finance them for it, and that particular way is to create jobs specifically in Quebec. But this is the government that says it is going to separate and then have a common market or economic association with Canada, but it does not want measures to be taken which will stimulate the economy of the whole of Canada. It wants the taxpayers of Canada in general to subsidize measures in Quebec which will only stimulate jobs in Quebec, and we say that is not right. "If you want to stimulate jobs in Quebec, go ahead and do it. That is your mandate. Cut your sales tax". That is what I was saying in French earlier. "Good if you want to cut it to zero on textiles, shoes and so on, and we will help you to the extent of two per cent. Cut whatever you want. That is good, we approve of it". But we as a national government, using national funds, are cutting taxes, or we are helping to cut taxes, which will stimulate the whole economy not only that of Quebec, and not only that of small business which deals in shoes and textiles; we are helping the small businessman who will be selling cars. There are a lot of cars sold in Quebec. Some are made in Quebec, some in Ontario and I suppose some in the Maritimes, but it is that small business that we want to help. We want to help the small businessman who is selling ski-doo's which are made in Quebec and sell all kinds of objects which are made or dealt with in Quebec.

Once again, it may not be the right approach but nine out of ten provinces agree with it and a lot of economists say it is the right approach. It is only after the fact, when the budget is put to bed, when all the other provinces have made their budgetary announcements that Mr. Parizeau comes along and says: "well, I just thought it over in the last twenty-four hours; I couldn't tell you before but I am telling you now that we are not <sup>going</sup> along". We are saying tough deal. We are saying that the money is there. "We are going to give some of it to you to help pay the reduction of two per cent on the things that you are cutting and the money is still





there. If you want to cut something else down the road, if you want to cut sales tax on cars or whatever other things are sold in stores across the counter we will help you there. We are not taking the money away from you. But don't ask for a special deal after three weeks of negotiation when the whole thing has been put to bed and everybody has made some form of concession and said that this is the right approach". That does not seem unreasonable to me, except to a government which is determined to prove that you can never make any agreement with the federal government. Well, that is a hard thing to <sup>prove</sup> ^ if you don't even try.

M. le Premier ministre, ma question est supplémentaire celle de mon collègue du Montreal Star tout à l'heure, à propos des amendements constitutionnels. Est-ce que c'est à cause de la chute du dollar et des questions économiques qui ont retenu l'attention et priorité du gouvernement, que ces amendements ont été mis sur l'étagère ou bien est-ce que cela tarde parce que l'élaboration elle-même du programme pose des difficultés?

S'il faut chercher une explication, c'est plutôt la première. Nous avons depuis peut-être une couple de semaines, porté plus d'attention aux questions budgétaires, aux questions économiques, mais l'évolution de la pensée constitutionnelle est assez avancée et nous attendons le moment opportun pour faire connaître nos positions constitutionnelles.

Est-ce que vous pouvez nous donner l'assurance que le moment opportun sera avant la dissolution du parlement?

Eh bien, c'est difficile, puisque je ne sais pas moi-même quel moment la dissolution se fera. Alors il y a une donnée qui n'est pas connue, je ne peux pas vous donner une réponse.



Q: Mr. Prime Minister, on the question of the falling dollar, some of this you have already replied to in french as well but on several occasions you have supplied rationales as to why you think the falling dollar, or a lower priced dollar, is beneficial to Canadian industry. I wonder if you think that is true as the dollar continues to slide, and how you perceive that slide in election terms. Can you go to the people with the dollar in the state that it is?

A: Well, I guess two things should be made clear. As I have already said earlier, we believe in a floating dollar. I think we were the first of the OECD nations to introduce it in 1970 and we said that is the right policy for our times. A floating dollar means that sometimes the Canadian dollar is worth more than the American dollar, which was true I believe between 1970 and something like 1975 or 1976--'7, I guess--and sometimes it means it is worth less. But you cannot only say you are going to let it float upwards, which hurts Canadian exporters, and not downwards, which helps them. We are letting it float. We are letting the market establish the real value of the Canadian dollar. That is point number one.

Point number two is that when you say you are for a floating dollar, it does not mean that you want it to float all over the place. What I mean is that we would like to see a stable economy. It should stabilize at whatever the proper rate for the





dollar is, and we are not seeking to define that rate. But our economic measures, particularly those I was giving earlier in relation to, well, restraining expenditures on the one hand, and making sure we are cost competitive on the other, means that we do have an objective of being cost competitive, an objective of stabilizing our production and output and a return to stable economic growth. At some point this will be at a dollar which will remain floating but presumably which will have reached the level the markets want to give to it.

We know that for every person who speculates on the dollar and makes \$100,000 there is another person who speculates and loses \$100,000. We know some people are out there losing and some winning, and we don't want to intervene in this speculation. Let the market decide what the value of the dollar is. We will continue to try to make sure that we are cost competitive. The falling dollar has helped us make us more cost competitive since it means that our exports to other countries are sold for less and the imports cost more. We are not intervening in that process.

Q: Mr. Prime Minister, may I direct your attention to the second part, which is in electoral terms, particularly as we are getting into a situation where Canadians are thinking in terms of vacations in the States and perhaps elsewhere. As to the relative value of their dollar, what do you think that does in perhaps emotional terms to a voting Canadian?

A: I really have not assessed that, but to the extent that it gets Canadians to take their vacations in Canada next summer, like I did last summer and as I probably will this summer, that is one of the benefits of the lower Canadian dollar. It makes exports cheaper and it makes travel abroad more expensive. This is not by design that it happens that way; this is the judgment of the market. The movement of invisibles as well as visibles is affected by the changing dollar. Quite frankly, I have not made any assessment of people who might be planning to go abroad, say in August, and who say "Where will the dollar be then and how will I vote in consequence?" I would think that would be a very difficult assessment to make, and even if I could make it I don't think I would want to



do anything about the dollar in particular because I told you that we want it to float. Whether it will affect the election or not I will give it some thought. Maybe it will affect my choice of a date for the election.

Q: Getting back to the constitutional question, earlier today the Ontario Advisory Committee on Confederation released its first report. I wonder if you have had a chance to study the report and will you be bringing in their proposals in your future package?

A: No, I haven't had a chance to study it. I understand they make some proposals, for instance, regarding a change of the Senate which I certainly will study with interest. That, I suppose, is one of the advantages, as I said in answer to the earlier question, of letting other people come up with their ideas, so that we can either borrow them or improve on them or criticize them if we don't think they are right. As a matter of fact, I have been saying for a long while now that I hope that the Parti Québécois will come out with a definition of souveraineté-association so that we could take into account any constitutional thoughts that they might have which would be of any value.

Q: Mr. Prime Minister, you have made the argument in relation to this Quebec sales tax problem that they have missed the boat; the ship has sailed and they didn't get on it in time, and that is the way it should be. I am wondering whether there is an economic argument as well that was looked at by the Cabinet. Would, for example, the cuts that Mr. Parizeau is proposing in specific commodities have the same economic kick as a smaller cut across the board? Was that examined at all today in Cabinet?

A: Well, when I mentioned the argument earlier of wanting to help all businessmen, all small businessmen in particular, this is what we had in mind. It is fine to sell more textiles and more shoes, because that creates jobs in those particular areas. But we want to stimulate the whole economy. We think that if we stimulate the whole economy we will also help textiles and the shoe industry, and so on. So in that sense in another form, yes, that is part of our argument.

May I just correct perhaps your premise. When you say





they have missed the boat, they miss it if they don't make any adjustments. But I want to make it quite clear that Mr. Chretien's offer still stands and that if they decide to help the Canadian economy generally, not only the textile workers and the shoe workers, but if they want to help those who, as Mr. Chretien said in the house today, produce this in your riding and that in the next riding and so on, and those who sell all these things -- if they want the general consumer to spend more, which I think is what we mean when we talk about stimulating effective demand, then you are quite right. Mr. Parizeau should realize that he is missing the boat in the sense of <sup>by</sup> trying to be too separatist before the province has separated he is trying to cut himself off from the economic benefits of the whole of Canada. Or alternatively, which is even more unfair, he is saying: "Fine, I'm going to ask all the other provinces to take a general cut of income tax, but I'm going to make sure that Canadian money is spent in Quebec to assist essentially those industries which in Quebec are having difficulties. If the Maritimes argued that way or if the prairies argued that way, each one would come in with a cut in its specific area and we would not be stimulating the overall economy. First of all, we would be in an impossible beaureaucratic maze of trying to cut up the Canadian common market in different zones, which is contrary not only to our view of federalism but it is contrary to the Parti Quebecois' own view of what they want to do. They want to separate and then have a common market, but they are telling us right now: "Oh yes, but that common market will only work in our favour. We don't want it to work in favour of the producer in other parts of Canada, producers of other things than textiles and shoes or whatever.

2: A supplementary, sir. Are you saying then that the Cabinet did not examine the economic kick of the two different ideas, Mr. Chretien's and Mr. Parizeau's. In looking at it you rather looked at it from the point of view of fairness, equity, natural justice and that sort of thing? Is it more philosophical than political?

1: Well, in truth when we were looking at the budget last week we looked at what you call the economic kick. We looked at various forms of cutting taxes, income taxes for instance, and



we said that that would be slower to take effect and wouldn't help the very low income Canadian who does not pay taxes. Also we looked at sales tax and we asked ourselves if it could be partitioned and if it could be selective, and we concluded that it would not be helpful to the total economy if we tried to introduce too much selectivity. That is why when Ontario said: "Well, I will accept the deal. I am not going to cut it on alcohol and beverages", we--and I respect their decision but they were not quite so unrealistic to say "We want the equivalent in cash given to the Ontario treasury. Because they know that you cannot start to partition the various markets in Canada when dealing with a national economic measure.

I do not know if I still have not answered your question, but we certainly attempted to deal with that aspect when we made the choice of this particular vehicle, which I repeat was recommended by several provinces way back in last October, which was tried then and did not work, and which has been recommended by many since.

Q: Mr. Prime Minister, when you introduced the Protection of Privacy Act a few years back, did you feel or understand that power to electronically intercept a conversation implied the power to break into premises and plant a bug?

A: You are talking about the 1974 Act, are you?

Q: Yes.

A: Well, you have to have a warrant since then in order to intercept electronically. So at that time--

Q: But with a warrant.

A: We realize that the warrant would give authority to the police to do whatever was necessary to have the wire tap. In some cases I suppose this means trespassing on other people's property which is what warrants are all about. I think your question in a sense has a bit of relevance for the period before this authorization.

I think it was felt that until this authorization came in people could wire tap because it was not forbidden by any law. The trespass that went with it -- really there was no break and entry because there was no intent to steal. There was no mens rea. In that sense there was this distinction between the wire tap itself and what had to be done in order to wire tap. It was in order to





clear that up that in 1974 we said a warrant will be needed now.  
You cannot just say we will wire tap but we won't steal any property.  
Therefore, there is no real criminal intent.

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TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE - OTTAWA -  
APRIL 20, 1978 - 4:30 p.m.

TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE - OTTAWA -  
LE 20 AVRIL 1978 - 16h30

Released at 7:15 p.m.

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PREMIER MINISTRE: J'aimerais annoncer deux nominations de deux Lieutenants-gouverneurs. Dans le cas de la province de Québec, le Lieutenant-gouverneur Hughes Lapointe, qui a bien servi la province à ce titre depuis nombre d'années, sera remplacé dès l'assermentation de son successeur au début de la semaine et son successeur sera le Sénateur Jean-Pierre Côté.

In the case of British Columbia the Lieutenant-Governor Walter Owen. His honour has been serving there for five years. He is retiring in a few days and he will be replaced by Brigadier Bell-Irving of Vancouver who will become the new Lieutenant-Governor of British Columbia upon a date to be determined next week when he will take the oath.

Prime Minister, there are suggestions that there are at least a couple of issues you'd like to see resolved before calling, before calling an election: one, the constitutional package and the other is the sales tax dispute with Quebec. Could you give us a progress report on those two items.

Well, in the case of the sales tax dispute, Mr. Chretien informs that his officials discussed with Quebec officials last Friday a proposal which would obtain our objective of insuring that the people of Quebec benefit from the federal tax reductions in a way which would be compatible with our overall desire not to discriminate against any other province. That proposal is being put in writing by Mr. Chretien so that Mr. Parizeau can look at it formally, although, as I say, it has been put to him informally. In the case of the constitutional issues, progress is going very well, thank you very much and we will be making the issues known and the policies known hopefully not too long from now.

Before the election is called or after?

Well, that would depend on when the election is called and here we go again.

Prime Minister, when will the election be?



A: Well, I suppose I should make no comment. When I give you answers, you ask the question again. You have every right to ask the question. I know it's an important one but we do have business apart from being a politician and concerned with elections, I have to manage the business of the government and I have important legislation before the House and there are two issues still to proceed with which have just been mentioned and therefore there is no date set for the election. I will let you know when it is set.

Q: I would just like to try that in a slightly different way Mr. Prime Minister and ask you whether you intend to bring out your constitutional package before you dissolve Parliament?

A: Well, it's not a different way. It's the same question I have asked and I give the same answer.

Q: But the second question I have is in what form you intend to bring these forward as a white paper, as a draft bill or in some other fashion?

A: My answer has been consistent over the past several weeks. It will be a measure and you will see the form it takes when you see the measure.

Q: Comment fait-on pour être à la fois Québécois et Canadien. Est-ce que c'est encore un atout pour la prochaine campagne électorale au Canada? Et quel en est le véritable enjeu?

R: Eh bien, ce n'est pas difficile de répondre comment on peut être à la fois Canadien et Québécois. Des millions de Québécois ont été Canadiens depuis 110 ans maintenant depuis la Confédération de 1867. Alors la vie continue pour tous ces gens-là et c'est fort agréable d'être l'un et l'autre, Québécois et Canadiens. Pour ce qui est de l'enjeu de la prochaine élection générale, oui bien sûr la question de l'unité nationale sera certainement débattue. Elle sera débattue par les différents partis. Notre parti à nous a pris une position qui est bien connue: c'est celle de faire en sorte que les Québécois, notamment les Québécois francophones, se sentent à l'aise partout au Canada et qu'ils puissent

une capitale qui peut utiliser les deux langues officielles, soit l'anglais, soit le français en s'adressant à eux. Et les autres partis ont des positions légèrement différentes mais certainement que ce sera discuté pendant la campagne électorale.

Q: M. Trudeau, est-ce que vous avez l'intention de rencontrer M. Claude Ryan dans un avenir prochain et prévisible et si vous le rencontrez, est-ce que vous avez l'intention de discuter avec lui de certains aspects ou de l'ensemble des propositions d'amendements constitutionnels que vous envisagés?

R: Il n'y a pas de date prévue pour une telle rencontre. J'espère qu'il y en aura une. J'ai l'habitude de rencontrer d'une façon régulière les leaders libéraux des différentes provinces. Comme vous le savez, on se réunit jusqu'à trois, quatre fois par année, soit collectivement, soit séparément. J'ai vu encore, il y a une quinzaine de jours, le leader provincial de la Colombie-Britannique. Alors, il serait naturel que je voie M. Ryan dans un avenir rapproché, mais il n'y a pas de date de prévue à ma connaissance. De quoi nous discuterons? Certainement du programme du Parti libéral, section provinciale et nous pourrons certainement échanger des vues sur la constitution. Je crois que celles de Ryan sont assez connues et les miennes le sont également, alors nous serons bien renseignés de part et d'autre au début de cette conversation, si elle a lieu.

Q: Est-ce que vous tenez à le rencontrer avant de rendre publiques vos propositions constitutionnelles?

R: Je n'y tiens pas comme à une chose absolument nécessaire, mais je ne vous cache pas que j'ai discuté avec d'autres leaders provinciaux, par exemple M. Gordon Gibson, il y a une dizaine de jours, les lignes générales de notre proposition constitutionnelle, ses propres vues, qui d'ailleurs ont été rendues publiques devant la Commission Pépin-Robarts sur l'unité nationale, et nous avons

discuté de ce sujet et ça m'est fort utile et si je peux rencontrer M. Ryan avant que nos propositions soient rendues publiques, cela sera fort utile également.

Q: Un point d'éclaircissement au sujet de la taxe de vente. Le ministre des Finances, Jean Chrétien, a circulé un document parmi les députés libéraux vendredi. Le douzième point semblait montrer une concession de la part du fédéral et je me demande si c'est cette proposition-là précisément qui a été mise entre les mains de M. Parizeau?

R: Je le crois. Ce qui se trouvait dans la communication au caucus libéral donnait en somme la position de M. Chrétien qui semble avoir été mal comprise par Québec jusqu'à ce moment-là. Je crois que c'est la même proposition qui est faite d'une façon formelle puisqu'elle avait été faite d'une façon informelle et présumément non comprise jusqu'à ce moment-là.

Q: Est-ce que vous avez donné une date-limite au gouvernement du Québec en ce qui concerne l'acceptation de la proposition. Est-ce vous fixé des délais?

R: Non, pas du tout. Cela, également, M. Chrétien et moi-même l'avons dit. Les sommes sont là. Elles sont à la disposition du gouvernement provincial. J'espère que la province fera comme les autres provinces, c'est qu'elle allègera le fardeau de l'impôt indirect, la taxe de vente sur l'ensemble de ses biens pour les consommateurs québécois.

Q: Prime Minister, you seem reluctant to feed the source of speculation about election timing, following questions put here today, but I'm wondering what you think of the suggestions made by some members of the opposition plus the speaker of the Commons that what all of this discussion does is create an atmosphere of uncertainty which is not necessarily healthy for the democratic process and the effective functioning of the Commons. Do you feel that there is an atmosphere of uncertainty. Do you think it is a good or bad thing and would you do anything about it; for example, saying that you don't intend to make a



A: Well, I think it's a preposterous suggestion to say that the date of the election should be fixed in some way and advanced by the government of the day, the constitution is contrary to that. And, if the opposition parties want to have a constitution amendment which would oblige the government to set the day some period in advance, we would certainly debate that but I don't think there is any desire on anybody's part to change that constitutional practice. I think the election speculation is feeding on rumour, on headlines, and articles and speculation. I think it is your daily bread and I encourage you to keep on but it is not going to make me change the constitutional practice. We have work to do and we're going to do work. If there is a dissolution it will be announced in the usual way or in some other way.

Q: If I might just follow that up for a moment. I wonder if you could make a comment on the sorts of happenings within the Ontario Legislature and whether you would consider having a federal campaign along the same time as a possible provincial.

A: I hadn't considered that quite honestly.

Q: Prime Minister, as candidates have been elected across the country, one of the patterns that seems to be emerging is the demand for return of capital punishment. Conservative candidates in several provinces have drawn perhaps their biggest applause when they volunteered the fact that they're retentionist and liberals who voted to retain capital punishment haven't been shy about indicating their preference on that matter. I am wondering in general, how you feel about the emergence or re-emergence of this as a national issue and what your position is on the demand that it be reopened in some way.

A: Well, it's been a subject, on issue which has been before Parliament in an active way for ten years, two periods of five years, during which temporary provisions were taken. We had a debate, is it a year and a half ago now in Parliament which settled the issue and which removed capital punishment from the criminal code and as far as I'm concerned, the matter is settled. It was supported incidentally by the leader of the opposition and many members on the other side of the House. Obviously if some candidates are talking that way, they're not talking the same way as Mr. Joe Clark.

Q: But you wouldn't co-operate with any reopening of the issue?

A: Well ---

Q: Any attempts to reopen let's say in a new parliament or after election?



A: Well, if we are for the Government, I am telling you we don't plan to reopen it.

Q: Mr. Trudeau, when you originally announced wage and price controls, you said that they would, they were necessary among other things to provide a breathing space while you worked out structural changes. We've had various documents which indicated among those structural changes would be competition policy, the other half of that, changes regarding the labour market and making it more flexible and borrowers and depositors legislation and a number of other related matters. None of that is now on the order paper left to be dealt with in the work that you say you still have to do. Should we conclude from that that you believe that the structural change that you talked about when you imposed controls is no longer necessary now that the controls are off and that you don't plan to move on that area?

A: No. You shouldn't conclude that because we have provided for a monitoring agency to be operated through the Economic Council of Canada to insure the possibility of an inflation up-surge be kept present in the minds of the Canadians. That this reporting, this analyzing and reporting done by the Economic Council of Canada serve to remind Canadians constantly that inflation is a danger and that their collective agreements and that their setting of prices or of rents or of other economic decisions will be looked at with in mind the danger of inflationary resurgence. A precise decision was taken by the federal government and the provincial governments when we met in February to insure that as employers we would not lead any inflationary settlement and we stated so quite unequivocally in the release at the end of the First Ministers' Conference. As you know since then the federal government has introduced legislation, the Public Service Staff Relations Act which would insure that we as a federal government would get effect to that decision taken by the ten provinces and ourselves and we are hopeful that the provinces themselves will respect that decision.

Q: Prime Minister, monitoring is not structural change in the sense that it was meant when you talked about it. That meant changing basic factors in the economy.

A: The structural changes covered many subjects from housing to energy to food policies to collective bargaining to management, labour relations and so on. I'm giving you some examples. One example of structural change in the relationship of employer/employee, between the federal government, I am indicating in the monitoring area that this

will keep present before Canadians one of the very important achievements of the A.I.B. to wit making Canadians conscious of the damage they can do structurally to the Canadian economy by having settlements which are inflationary prone. Other policy announcements have been made. As you know on energy, we have taken a certain number of positions as regards the price of petroleum. We have taken decisions on pipelines both the Foothills one and the Sarnia/Montreal one and all these are of a structural nature.

Q: Mr. Prime Minister, since you have a complete timing over both events, and since you would not, I assume, want to unnecessarily criticize something so important as constitutional change. Could you explain why at this press conference and at earlier ones over about the last four weeks you evaded giving a commitment that you wouldn't call an election until after a decent time after you brought down your constitutional proposals.

A: For a very simple reason that your premise I don't think is undebatable. Some people have said that it is precisely during an election that one should debate the constitutional changes and that a government should use an election period in order to get a mandate for constitutional change to consult the people directly. Others have argued, no, that it should be done in the House of Commons and both positions can be argued.

Q: A supplementary: Could you cite anybody who has argued the former case that you should wait for constitutional proposals until there are in an election. I'm not aware of any body but I may have missed that reference.

A: Well, I certainly <sup>have</sup> heard it argued very frequently in and out of my caucus. I've argued it myself as a hypothetical position of saying, well, when do we get a mandate. We've tried to do it through a federal/provincial conference. We've had debates in the House of Commons. Maybe an election is a good time to get the people to decide if the premiers and the federal government can't make up their minds. It's certainly not an unusual argument. I can't say I have seen it in print but then I don't read everything which is printed.

Q: Mr. Trudeau, government spokesmen have said a couple of times in the last week or so that the Canadian aid program to Cuba is being terminated. I wonder if you could say whether this means that present projects

are being wound down and that is all or whether on the other hand a deliberate decision has been taken by the government not to provide any more economic aid to Cuba as long as it continues its military ventures in Africa.

A: I would say the former. I know of no deliberate decision to terminate in any final or abrupt way aid to any particular country. The one exception I suppose is India after the nuclear explosion we made a certain decision as regards aid but as regards other countries I think we look at them, we look at the projects, we see what is necessary we see what funds we have, we see if they could be usefully spent to help this or that country, less developed or impoverished country to help people in some way and then we have provided the aid. I think Uganda is perhaps another example where we have terminated projects and I don't know of any being renewed but I couldn't say without qualification that in the case of Cuba nothing is being discussed when the present projects are exhausted. I don't know of any policy decision in that direction and I think I would know if there had been any taken.

Q: I wonder if you could answer the point that was raised in the House of Commons, External Affairs, to the Committee the other day by a couple of opposition spokesmen that a country that can afford to send expeditionary forces half way around the world to the number presently estimated at about 40,000 now in Angola and Ethiopia and other countries doesn't really need Canadian aid.

A: Well, it's certainly a weighty argument and you'll recall that it has been used as regards other countries who have had sometimes what looks like either indefensible expenditures as this one or others which seem rather forms of luxury like great expenditures by the governing classes to do certain things and so on and we've always answered this by detaching the two considerations and say if our aid can reach some impoverished blind suffering starving people in certain countries we will make sure it does and we won't be too harsh on the particular politics or stripe of a particular country which is the aid recipient. I think the test is what is being done with that particular aid and I repeat Canada's aid policy has been generally to detach itself from the particular politics of the government in office and to attach it to the affected producers or people who are suffering and in need. And, it's not always a comfortable policy but it is certainly better than



to just say you're going to help those who agree with you on everything in terms of values and institutions and so on because then you would end up aiding very, very, very few people. Even in the case of India where I think 40% of the impoverished people of the world reside, when we cut off aid in a nuclear sense we obviously disagreed with the government which had exploded an atomic bomb but we didn't say we're going to stop food aid to that particular country and indeed we kept it on even though we disapproved very heartily of its government policies. Now, I don't know of the particular projects which are going forth with Cuba. I do know when I was there there was some in the agricultural area to help the people get better food and that seemed to be a justifiable form of aid.

Q: Prime Minister, if I can return to a question that seems to be intriguing a number of my colleagues: In the Throne Speech you said the government will also be placing before Parliament and in this way before the people of Canada later in this session a measure that will contain a number of proposals. Last week you said you weren't entirely sure about it; it really did depend on the date of the dissolution. In that you made what seems to me a fairly clear commitment in the Throne Speech and in that you do control the date of the dissolution, I wonder what the problem is in fulfilling the commitment made last October?

A: Well, the previous questioner gave a whole series of things. I think the competition act was one example he gave. The borrowers and depositors act. There are a lot of commitments we made in the Speech from the Throne which will be honoured and discharged if this session goes on a few more months but if it is ended abruptly obviously they will not all be brought before the House of Commons so there is nothing unusual about that and you know very well that even in sessions which don't end by dissolution very frequently we don't have time in the course of one session to do everything which had been plotted in the Speech from the Throne mainly because we can't get agreement from the opposition on allocation of time and we have gone to them repeatedly with suggestions to provide some form of time allocation so we can discharge our business more efficiently and we are not always successful.



Q: Prime Minister, since October it has not been an inconsiderable concern or so we have been led to believe that the government, that the government has been in fact I would say the centrepiece of the government's response to the election of the Parti Quebecois but also I was wondering in that you made the commitment and you held up the date of dissolution as the real nub of the problem, why you can't resolve that particular ---

A: Well, I disagree with your premise. On the contrary, we said in the Speech from the Throne and many times since that the main action of this session of parliament should be in the economic area and the order paper was determined in that way to insure that priority would be given to acting on the economic front and it is only secondly, and not as a first priority, only secondly that we said we would come to questions of constitutional change.

Q: Mr. Prime Minister, a personal question, a couple of weeks ago a television program portrayed you as a very concerned father spending a lot of time with his children. I understand your wife is back in Ottawa for a visit. Is there still hope in your mind for a reconciliation?

A: I pay staff to say no comment to these questions.

Q: Prime Minister, it has been brought to the attention of Mr. Fairweather's Human Rights Commission today that Bell Canada's billion dollar contract with Saudi Arabia may be placing that company in the position of having to practice religious discrimination in its hiring practices namely jews are not permitted to enter Saudi Arabia except under special circumstances as representatives of governments, et cetera. Bell will place a total of 500 people in Saudi Arabia, 500 Canadians, to carry out that contract and it seems that because of the documentation required by the Saudis for a Canadian to go there and work, the documentation requires them to name their religion et cetera, I'm wondering how you feel large Canadian corporations should act in situations like this, Bell having already signed an undertaking with the Saudis that it does not do business with the Israelis.

A: Well, I feel that the chairman of the Human Rights Commission is a good person to give advice on this matter. I have not been made aware of it. I don't know the facts as you allege them but I imagine if a case was brought before him he will study it and give an opinion. He's also a highly paid official whose job it is to advise companies on things like that.

Q: Does your government have an opinion or a position on how Canadian corporations should respond to situations like this?

A: I haven't had time to formulate any but I'll think it over.



THE PRIME MINISTER: Thank you. As usual, the announcements are mainly appointments which were made by Cabinet this morning.

First, I would like to announce that a new Sergeant-at-Arms has been appointed to replace Colonel Currie. It will be Major General Gaston Cloutier, C.M.M., C.D. He will be assuming his new responsibilities on April 27th. I want to announce a few appointments concerning Members of the House of Commons. One is Mr. Mitchell Sharp who becomes Commissioner to the Northern Pipeline Agency and Mr. Hal Millican becomes Administrator. The first effective May 2nd, next week, and Mr. Millican, May 15th.

There are several judicial appointments but we always make many in Cabinet. There are two I want to draw to your attention because they affect two Members of Parliament. Mr. John Gilbert, Q.C., Member of Parliament for Broadview has announced he is not running again, as you know, and someone else has been appointed by his Party to run in his constituency. Mr. John Gilbert has been appointed to the County and District Courts of Ontario and equally Mr. Hugh Poulin, Member of Parliament for Ottawa Centre since '72 will be appointed a Member of the County Court for the Judicial District of Ottawa-Carleton.

Finally, just an appointment relevant to the Anti-Inflation Act. Mr. Tansley, you will recall, has been appointed as Chairman of the Fisheries Research Board, and Associate Deputy Minister of Fisheries and he is being replaced as Administrator by Mr. William Oliver who has had a distinguished career in the public service.

Eh bien très brièvement, peut-être qu'il suffirait de dire que le Sergent d'armes à la Chambre des communes, Colonel Currie a donné sa démission et il sera remplacé par le Major-Général Gaston Cloutier à compter du 27 avril 1978. M. Tansley remplacera M. Tansley à la Commission anti-inflation.





Plusieurs juges de la Cour de Comté ont été nommés dont un député du N.P.D., M. John Gilbert, et un député du parti Libéral, M. Hugh Poulin, et plusieurs autres avocats distingués ont été nommés à la Cour de Comté. Finalement, M. Mitchell Sharp, député, ancien ministre et fort connu deviendra le Commissaire à l'Agence concernant le pipeline Foothills. Il sera secondé dans la position d'administrateur par M. Harold Millican de l'Alberta.

2. M. le Premier ministre cet après-midi en répondant aux questions de l'opposition concernant la GRC on a fait référence aux directives de 1971 et 1970, où vous demandiez à la GRC de se consacrer un peu plus à la subversion intérieure au pays. Est-ce que vous vouliez dire par là que c'est de là qu'il y avait le fameux document qui a été publié par le Globe and Mail. Est-ce que la GRC aurait interprété cette directive de la façon décrite par le Globe and Mail?

. Je ne pense pas. Pour autant que l'on m'a expliqué ça, c'est une pratique qui n'est pas récente. Mais, j'ai répondu en nombre cet après-midi que j'obtiendrais la date exacte à laquelle la directive a été publiée. On a tenté de me donner la réponse ce soir, on me dit que je l'aurai demain. Je ne pense pas qu'il y ait un lien direct entre les deux.

( Est-ce que la GRC aurait pu, par exemple, interpréter? Et-ce que vos directives étaient assez larges pour que la GRC puisse l'interpréter dans ce sens là?

. Eh bien, ma directive était très claire. Messieurs les endarmes vous avez beaucoup de renseignements sur les personnes qui peuvent être des terroristes ou des agents de subversion venant de l'étranger. Visiblement, depuis quelques années au pays tant sur les campus universitaires de l'ouest ou de Montréal que dans des mouvements para-politiques comme le Front de libération du Québec, il a de la subversion, de la violence interne. S'il-vous-plaît, essayez-donc de trouver des renseignements sur ces gens-là pour que nous ne puissions pas nous défendre uniquement contre des prétendus terroristes étrangers, mais que nous puissions aussi empêcher le terrorisme



au Canada par des saboteurs et des assassins, des meurtriers, etc. Comme il y a eu vous vous rappelez une série d'événements entre 1966 et 1970 à peu près. Alors ils l'ont interprété dans le bon sens puisqu'ils se sont mis à chercher avantage les terroristes au Canada.

Q. Sir, on the Order Paper today, we discovered two sets of amendments to be introduced to the Criminal Code.

Could you tell us if one of those sets of amendments relates to changes in the Criminal Code law concerning rape?

A. Well, this is a delicate question because we have given notice. First reading will be presumably Monday. It would be unusual for me to tell a press conference what normally is given to the House of Commons at first reading stage, so I really would ask your indulgence and not ask me what is in a Bill until it has, in fact, been given first reading.

Q. May I ask a supplementary then, sir? How long would you like the House to consider these amendments to the Criminal Code?

A. The same answer I have given repeatedly and Mr. MacEachen gave again this afternoon. If we can make an agreement with the Opposition to pass certain Bills very rapidly we would welcome any agreement on the allocation of time. The Opposition has been co-operative in the past few weeks in passing several Bills and if there are any other Bills on the Order Paper which they will co-operate in passing quickly, we are introducing these Bills because we find them important. We have given specific indication that some were introduced for first reading purposes only, but certainly not the -- well, I should perhaps defer to the Minister of Justice on this. I think his practice is when he gives a reading to an omnibus Criminal Code amendment Bill to give it first reading and then give time to the Attorney Generals of the provinces and the Bar Association to look at them, so it is quite possible that it will not be his intention to proceed to all stages of these bills in this session.





Q. M. le Premier ministre, le 6 avril dernier M. MacEachen a dit à la Chambre que le projet de loi C-42, modifiant le Code criminel, en ce qui concerne la défense de la langue française, était en sixième position de ces priorités. Depuis ce temps-là, cinq projets de loi ont obtenu première lecture, dont deux jusqu'à la sanction royale, sept ont été adopté en deuxième lecture, onze en troisième lecture, tous ont obtenu la sanction royale. Aujourd'hui, on s'est fait rappeler à la Chambre que C-42 était en quatrième place. Quand je vous ai posé la même question le 6 avril dernier, vous m'avez dit que tout dépendait de l'Opposition. J'ai vérifié auprès de M. MacEachen aujourd'hui, et M. MacEachen a dit qu'il n'avait jamais demandé à l'Opposition de coopérer sur C-42. Pouvez-vous me dire M. le Premier ministre quel genre de priorité vous accordez à C-42?

A. Je m'étonne de cette réponse que vous citez parce que j'ai entendu M. MacEachen dire en Chambre même que C-42 était un bill qui avait de la priorité et qu'il voudrait que l'Opposition s'entende avec lui si possible pour le passer très rapidement. Je ne peux pas faire état des négociations avec les leaders des autres partis mais je me souviens fort bien d'avoir entendu dire cela publiquement par M. MacEachen en Chambre. Et c'est la position du Gouvernement. Moi je peux vous certifier, nonobstant le Leader de l'opposition, que si nous pouvions par exemple obtenir le consentement des autres partis pour passer ce bill-là dans une journée à toutes ses étapes, je peux m'engager à le faire sans équivoque avant qu'une dissolution soit même considérée. Mais c'est le message que j'envoie à l'Opposition par votre intermédiaire. Enfin, par l'intermédiaire des médias.

Q. May I ask a supplementary question, Mr. Prime Minister? In 1972 in somewhat similar circumstances, with a great deal of election speculation you did, at a certain point, decide to inform the country that you were not going to have an election. I wondered whether a similar situation would arise in this case. If you decided, for example, not to have an election, would you at some point, sir, tell us that?



A. Yes. In fairness if I thought there wasn't going to be an election, shall we say until the Fall or next year, I would find it only fair to make it clear to Parliament and indeed to all Members that might be running for Parliament that they should not count on an early dissolution.

Q. Thank you, sir.

Q. That sort of pre-empted my question about how long you expect the progress as Miss Lariviere has pointed out of eleven or twelve more Bills that have gone through in the last little while to continue. One can only assume that it is expected for the next couple of week.

If I could switch the question, sir, to --

A. Well if I could just comment on that. That is indeed what is happening. Parliament is making great progress on a lot of Bills and the Bill mentioned by Miss Lariviere is one that we would like to see great progress on and I personally would think it would be worth while holding off a dissolution for a few days more, whatever is needed, if we can pass a certain number of Bills.

Q. A few weeks, perhaps?

A. Well then, I would run into the question that Bruce asked me. I think in fairness at some point I would have to say, well look, things are going so well and we have got so much material before the House and we have an agreement with the Opposition Parties to pass seven bills in thirty days or whatever it is, and therefore we are not going to have an election until this is done.

Q. So, as long as Parliament works and works efficiently, you are keen to keep it going?

A. Certainly. On some of these priority Bills, yes.

Q. Sir, if I could ask you about the RCMP affair. Early on the former Solicitor General, Mr. Fox, indicated to us that he thought the APLQ break-in, for example, was an isolated event.

Since that time, you yourself and other Members of your Government have been extremely vociferous and determined





in your defence of the RCMP.

I am wondering if some of the testimony concerning both the Criminal Investigation Branch and the Security Service of the RCMP has not left you somewhat personally disappointed in terms of the admissions of entries, questionable entries; perhaps not illegal, but certainly questionable entries that have been made before the McDonald Commission in the last few weeks?

A. Quite frankly, I haven't been following at all the hearings of the McDonald Commission. I am briefed from time to time on questions which are liable to come before the House and I have the answers to some of them but I can express no general disappointment.

We set up a Royal Commission because we realized that our earlier assurances about the break-in being an absolute isolated incident was not one and from then on we said, well, if it is not, let us hear the whole truth and let's set up a commission. The truth is coming up and it is being put in front of the Royal Commission that we set up. I am not judging it on a day-to-day basis. That is their job. It has been removed from politics. It will be taken up by the Royal Commission as to whether the police should be condemned for this and lauded for that, and whether practices in other areas should be changed.

Q. Sur le même sujet, M. le Premier ministre, les instructions que vous avez données à la GRC en mars 1975 pour que cesse la surveillance des partis politiques. Est-ce que cela se référait à la même surveillance que celle dont il est question dans le fameux manuel qui est sorti cette semaine dans la presse?

A. Eh bien je n'étais pas au courant en 1975 de l'existence de ce manuel auquel vous faites référence. Les instructions que j'ai données en mars 1975, vous me rappelez cette date, avaient rapport plus précisément au Parti québécois. Et quand j'ai appris qu'il y avait la surveillance systématique de ce parti politique, j'ai dit il faut arrêter la surveillance de ce parti et des partis démocratiques en général.



Q. En dehors de la surveillance des partis politiques, avez-vous dit que vous étiez au courant d'une surveillance des candidats, c'est-à-dire des gens qui ne font pas encore partie des corps élus?

A. Non, je n'étais pas au courant d'une surveillance des candidats et je dois ajouter qu'autant que je comprenne le système, et je pense le comprendre, on me l'a expliqué tout dernièrement, il n'y a pas de surveillance des candidats. Ce qui existe c'est que lorsque des gens se présentent la police de sécurité regarde dans ses dossiers et dit bon bien, M. un tel se présente est-ce qu'il a un dossier de subversion et, si oui, on continue la surveillance et on inscrit ça dans son dossier. S'il n'est pas autrement connu par les services de sécurité il n'a pas de surveillance de ce candidat. Autrement dit, on surveille ce candidat en particulier de la même façon qu'on pourrait surveiller un professeur ou un avocat ou un député si effectivement il y avait un dossier laissant entendre qu'il y a peut-être matière à subversion. Mais, si c'est simplement M. Tartempion qui se présente candidat pour n'importe quel parti et qu'il n'est pas connu de la police, on n'a pas de surveillance sur ce M. Tartempion.

Q. Mr. Trudeau, you may have noticed there is has been some argument within the Official Opposition about the question of what will happen in the event they take power with certain senior officials. I don't want to ask you a hypothetical question but Mr. Clark has said that he would think that some officials who have been closely ( and these are his words ) who have been closely identified with the Prime Minister would want to resign. Now, I mentioned this to him and he came up with -- these names came up. Mr. Teron, Mr. Pitfield, Mr. Head and the Ostry's.

Now, the question I wanted to ask you, sir, were





these officials mentioned, insofar as you know, aware that their futures as officials of the Canadian Government would be contingent on the governing party staying in power?

A. It is news to me and I expect it must be news to them unless Mr. Clark has previously informed them of his feelings in this regard.

I can't say if they have been informed or not. Certainly they will be informed as a result of this exchange between you and me, Mr. Fisher.

Q. That wasn't quite my question. I was wondering whether you were aware that these people realized that there was the possibility -- of the contingency developing because of their close association with you that their future in the Government only lasted as long as your Government lasted?

A. Well, if they were not aware, they are presumably aware now in the hypothetical circumstances when Mr. Clark forms a government. The rules are quite simple. Deputy Ministers are appointed by Order-in-Council at pleasure. The practice in our system has been that they are not removed every time a government changes and I am surprised that Mr. Clark has identified specific individuals based on a presumption of friendship with me.

I suppose that would be an inducement for me to have even less friends than I have ever had.

Q. The Canadian Police Association has said that they are going to go on a media blitz to have restoration of the death penalty in the next election campaign.

What are your feelings of the police taking a position on a political issue like that?

A. What police is this, please?

Q. The Canadian Police Association.

A. Well, I guess insofar as they speak as an association they are a pressure group, a group of concerned citizens who are making a stand on an issue which has been debated several times in Parliament and they are making their views known.

I wouldn't purport to be shocked at their



right to express views and there is nothing I could do about it if I was. It is obviously an issue of great concern to Canadians and you will recall the very important and sometimes moving debate that took place in the House of Commons. You will recall also on this question Parties were divided. There was no whips on. The vote was absolutely not divided on Party lines and Members on both sides of the House voted for abolition and Members on both sides voted for retention.

I quite frankly hoped that this would set the question to rest for the period of time but I can't complain if a group of citizens want to re-open it.

Q. You don't feel that the police are using their authority within the community to try and persuade others that you have been wrong all along and they know the real way to run the Government?

A. Well, it is not me that has been wrong all along. It is the Canadian Parliament which has taken a position in opposition to theirs. I could point out that I believe the leaders of all Parties ( I am not sure about the Creditistes ) but certainly the leader of the Conservative Party, Mr. Clark, and the leader of the New Democratic Party, Mr. Broadbent, as well as myself voted for abolition so this particular association is making a point which is not only representing their point of view but obviously in disaccord with the position the majority of Members of Parliament took in that debate two years ago.

Once again, I don't think they should be forbidden to make such a stand particularly that the issue is not before Parliament now.

Q. Well, by telling us that you haven't been following the McDonald Commission I would have to say that it is quite the opposite of MacKenzie King who, in the Igor Gouzenko case, had transcripts delivered to his house every evening and I don't know which side is probably the more appropriate as Prime Minister. It --





A. It's not like MacKenzie King.,,

Q. But could I ask a broader question? Your original reputation ---

A. Thank you. As a civil libertarian!

Q. You are alleged to have taken strong stands against the Duplessis Government and other police-type tactics and yet over this last nine months or whatever since the revelations have developed, many of them more serious than the preceding ones, you have taken almost -- either a complacent or almost approval position in terms of mail openings (and you haven't approved the barn burnings per se) but you have taken a very complacent position towards what many people feel to be a gross intrusion on personal liberties in this country and it doesn't match your earlier reputation.

I wondered if at this point when we aren't going to be meeting you very often until you are out on the country again you cared to indicate what has brought about this change in your position towards law and order and police tactics?

A. Well, as you say, you are basing yourself on some allegation that I was allegedly this or that.

I have taken many positions in my life and in the area of civil liberties I have stood for a Bill of Rights and many other protections and so on, but as regards the police power, I've always felt that no organized society, no organized state could function without a police power. I have explained patiently to people that that police power insofar as the investigation into criminal matters was concerned, those investigations were contained and constrained by the provisions of the Criminal Code and by reference to the courts. The Criminal Code, as you know, does permit the police to invade the privacy of your home provided it gets a warrant and so on. It does permit the police to use electronic surveillance



providing it gets a warrant and so on, so there are infringements to what you call "civil liberties" which are permitted to the police in order that they maintain order and prevent crime.

Now, on the security side, which is distinct from the criminal side, the rules are less precise and they have to do with judgments as to what is dangerous to the security of the state, not in terms of crimes, but in terms of subversion or potential violence and treason and so on; areas some of which are defined in the Criminal Code and some of which are not.

Now in this area, the government of the day has to act in co-operation with the police. I have indicated my views on that. I have indicated that the government should issue broad guidelines respectful of the liberties of the citizen and the example I continually give is the one that was cited earlier. I have told them that they should not investigate political parties and there is no doubt a tendency on the part of security services to extend their writ larger and larger and that is why it is the duty of the government of the day to issue guidelines to them.

For instance, one of the earlier guidelines I think I had to deal with was to ask them to cease systematic surveillance of the universities. Nothing illegal in surveilling it but I just found it a little bit offensive to my sense of civil liberties.

The same think with political parties. This is the broad approach I have used. These broad guidelines we have given. I was discussing some earlier today. They had been modified over the years in terms of new threats to security as being more internally caused than externally caused, so these guidelines have been given, but insofar as the police breaks the law in it<sup>4</sup> criminal investigation, it is brought before the courts. Insofar as he breaks the law in terms of security investigations, it is also brought before the courts. The question which arises is what do you do when there is a systematic pattern of breaking the law, or when there are occurrences which seem to indicate that it was not an isolated error but a whole





series of errors?

Well, the tradition in our country, and it is one that has been not only asked for but pleaded for by the Opposition -- why don't you set up a Royal Commission of Inquiry so that this can be withdrawn from politics and so that you can get to the bottom of possible potential wrong-doings of the Federal police and this is not a matter of washing my hands of their wrong-doings. It is saying, okay. We won't have a political debate on it. We are not going to set up, in our Parliamentary system, a committee of Parliament to investigate the RCMP because we know in our system the government of the day generally can control a committee of Parliament and that is why the Opposition asked for a Royal Commission and that is why I gave a Royal Commission.

Now, once that Royal Commission is set up, surely the proper procedure is to let it operate, to co-operate, to give it the information one has, to urge the police officers to give them all the evidence that they have which obviously they are doing since so much is coming out in the day-to-day reporting of the Commission's operations and quite frankly I see nothing offensive to my concerns for civil liberties in all of this.

Q. Could I just clarify that one point? Most of the four hundred if not all of the four hundred instances cited by Assistant Superintendent Venner, I think it is, dealt with the criminal side in which they admitted that they hadn't gone for warrants because they didn't think they had the kinds of reasonable grounds to believe that would get them a warrant so they haven't been following this procedure to start with.

Secondly, you said that there wasn't much that had come out which has offended your civil liberties?

A. Well, that is the conclusion of my little speech, but now you are asking about a specific example. You have heard the Minister say very clearly in the House that the



police had received advice from the law officers of the Crown. But if you conducted this operation without mens rea -- in other words, without the intention of committing a crime, of removing goods, stealing property, taking away papers or documents, they received the advice that this was not a crime.

Now you, yourself, in your question, I believe were careful to say ( and indeed the Opposition have been rather careful to say) that nobody says that this is a crime. It just shocks your sense of responsibility a bit. Maybe it should be made a crime. Maybe this whole area of mens rea the intention of committing a crime should be clarified in the Code and obviously the Royal Commissioners are going to have to address themselves to that question.

What we are realizing is that under the common law under accepted practices some things have been happening in terms of investigation which either were not of concern to governments and citizens and the media before and they are becoming of concern now because we are living in a more complex society and we are getting more respectful of public liberties and so on, and we are imposing new standards on the police.

One of the new standards was imposed in 1974. Until then, electronic surveillance had not been forbidden. It wasn't specified anywhere. In '74 we forbade it and we said, "From now on, you will not be able to do it except if you get authority from a judge and so on" so there has been a recognition of the more complex nature of police operations in a society where indeed the criminal element or the subversive elements are more complex themselves.

They have electronic equipment. They have very sophisticated means to prepare their crime or subversion and the police have attempted to respond to that and indeed the evolving law has attempted to draw up new frameworks so





that the response would be at the same time respectful of civil liberties and at the same time not impede the maintenance of security of the society. That is the narrow balance that not only every government attempts to follow but that the McDonald Commission will have to answer on.

You know, we are not talking about hypothetical situations. These weeks the papers are full of kidnappings in Italy and the kidnapping of a very prominent person.

Now, this happens in a modern society like ours and after what, six or seven weeks, the police are unable to find him. What do you do as a defence against this? This is a world-wide problem. Each society must attempt to adapt to it but certainly society would be foolish if in the name of civil liberties they destroyed the power of the police to protect them. The object is not to destroy that power but to make sure it is circumscribed by law.

Q. Mr. Prime Minister, you have given the impression several times in the past year or so that you expect senior civil servants to be as scrupulous as Cabinet Ministers, for example, in conflict of interest situations.

How do you react to the President of Atomic Energy of Canada accepting a free trip to Argentina which is involved in very sensitive negotiations with AECL for a second CANDU reactor?

Is that a conflict in your eyes?

A. Well, a free trip from whom?

Q. The Argentinian Government.

A. Under what circumstances?

Q. Under the circumstances of an inaugural flight plus all expenses paid while he is there?

A. I am not aware of this particular case but I remember having to face that kind of question many times since I've been in Parliament, even before being Prime Minister and there have been inaugural flights to Moscow, I remember, and some to Paris, and others to Rome, and you get all kinds of



people on them. Members of Parliament, journalists, civil servants and so on. I don't think a man would betray his conscience by accepting a seat on a inaugural flight quite frankly but I can look into the circumstances of this to see if he was given a million dollars to boot, but I doubt it.

Q. What about your Ceasar's wife line?

A. Pardon?

Q. I say, what about your commonly used expression about Ceasar's wife being under suspicion?

A. I never talked about Ceasar's wife. Ceasar did.

Q. M. Trudeau à-propos de la surveillance des candidats à différentes élections qui pourraient être subversifs, dans le document qui a été publié récemment, on a vu que les critères de subversion étaient assez larges. Je pense qu'on disait par exemple, que l'on devait ouvrir un dossier sur une personne qui était séparatiste ou qui avait déjà envoyé plus de \$10.00 à un parti séparatiste.

Q. Ou est-ce que vous avez vu cela?

A. C'était dans les documents qui ont été publiés hier, dans les journaux. Je voudrais vous demander si vous trouvez que ces critères de subversion sont assez sophistiqués. Est-ce qu'ils sont encore en vigueur et est-ce qu'ils ne devraient pas être changés s'ils sont en vigueur?

Q. Première nouvelle, si c'est ça les critères de subversion je pense qu'effectivement c'est pas très sophistiqué. Mais, c'est pas parce que ça été publié dans les journaux que c'est nécessairement vrai. Mais je vais me renseigner.

A. Mais, nous avons vu les dossiers.

Q. Qu'est-ce qu'on raconte dans ces dossiers? Vous avez vu le manuel? Comment ça se fait que je ne l'ai pas vu moi? Oui, j'aimerais ça le voir.





Q. Mr. Prime Minister, in a recent CBC Radio interview you purported to find in the Parliamentary Opposition a systematic pattern of tolerance and support to the Parti Quebecois Government which for the less aware listeners you went on to identify as a Separatist government.

The evidence adduced by you was rather insubstantial and only a couple of items. Do you not feel that it does harm to the basic political fabric of the country for minor political gain to suggest that the loyal opposition in Parliament is less than loyal?

A. Well, I don't know why this became news all of a sudden. I have made this speech several times. I made it at the Liberal Convention and I have made it in this room. I remember at some point saying that you people are pretty cynical because if the RCMP gets any information on Separatists you think that is terrible but if Mr. Parizeau brags about having an information net getting information spying on the Federal Government you think that is a big deal. I have made this point several times. You may find them unsubstantial but I continue making them. Maybe other people will find them more substantial.

Q. That is sufficient to you as a ground for suggesting that the political Oppositions are less committed to the idea of Canada than you are?

A. I haven't suggested that. I was just saying



that in a desire to attack the government on everything they are obviously making mistakes of judgement and their systematic attack on the government is playing into the hands of the separatists. When they are saying the separatists are systematically right, for instance, whether it be Mr. Parizeau, well this seems to astonish you. Go around in Quebec and ask yourself if these aren't arguments used by the Separatists themselves. Even the Opposition Parties say that Mr. Parizeau is right. Even the media say he is right, so he must be right. I say that is a mistake. We don't think he is right.

Q. So we have come to the point where criticism of the Government is per se wrong?

A. Not at all, but if I think you are making a mistake, why should I be prevented from saying so any more than you, who can write every day of the week that we are making mistakes. It is not per se wrong for you to criticize the Government but I don't think it is per se wrong for me to criticize those who are criticizing us.

Q. A question about the Saudi Arabia-Bell Canada deal, the related hiring practices.

You told the House of Commons this week that your information was that Jews can and do enter Saudi Arabia. You said that you didn't have many concerns on this point.

Could I ask you whether you have satisfied yourself that there are, in fact, no exclusions against Jews who might be going to Saudi Arabia under this arrangement having in mind the fact that the Bell Canada employees who will be going who are prospective people on the project have to provide proof of baptismal certificates and provide twelve xeroxed copies?

A. Well, we have the assurance of the Saudis themselves that they will not exclude people from working in their country because they are Jews. They have given us that assurance. They have given it, I understand, to many people including the company in question, but we also have the empirical evidence that in fact there are Jews -- there are





Jews who are Saudis as we know, who were born there and who still live there but there are also members of this administration, indeed minor officials of this administration who are Jews and who have been to Saudi Arabia so we have no reason to believe that after they have admitted Jews and after they have said that they will continue to admit them, we have no reason to believe that they will not.

Q. I wonder if I could ask you to comment on the appropriateness of a Canadian company giving an undertaking in a situation like this to the Saudi Arabia government that it doesn't have any direct commercial dealings with Israel at the present time having in mind the fact that a government agency EDC is deeply involved in this affair.

A. Well, our policy on the Jew-Arab boycott is quite clear on that point. Nobody, no company, no Canadian individual or businessman gets assistance from the EDC or indeed from any government agency unless he can certify that he is not complying with the provisions of the Arab boycott.

Now the contract that Bell negotiated with the Saudis has been studied very closely by the IT & C officials and they assert that there is nothing in that contract which is contrary to our anti-boycott policy.

For greater certainty, they have a statement from Bell indicating that they have complied and will comply with the terms of our anti-boycott policy. The statement to which you refer is a statement of fact. Bell has no actual business, I understand, in Israel. If it were to undertake not to have any, that would be another matter, but if it is stating it has none, that is a matter of fact and it may or may not have helped them in getting the contract, but it is certainly not something which would be prohibited by our anti-boycott policy.



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TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE - OTTAWA -  
Released at 8:15 p.m. MAY 4, 1978 - 4:00 p.m.

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TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE - OTTAWA -  
Publié à 20h15 LE 4 MAI 1978 - 16h

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THE PRIME MINISTER: Well, you have the letters and they are dated in April. They are letters which concern the First Minister's Conference we had in February and they are an attempt to follow up on Premier Davis' letter to me of an earlier date and on the requests made by other persons about what was being done about the decisions taken in February, and the letters, in some detail, indicate what has been done. I just want to give two or three very quick examples: on the monitoring of prices and incomes in the post control period, you will recall that we had intended setting up a controlling agency, a monitoring agency. The Premiers requested that this not be done and suggested that rather than set up an agency we ask the Economic Council to do it. We did ask the Economic Council and they agreed to do the monitoring and that will be the situation. We had agreed that because of overlap of government regulations and so on, there should be a study done, first of all a term of reference set out on the study to be done to prevent overlap and, as the letter indicates, this is well underway. Much was said at the First Minister's Conference, you will recall, on research and development and you will recall, as I say, I don't believe I say in the letter because it was pre-budget but I just want to point out that the budget of course did tackle this in a way which is found satisfactory by most. On the "Buy Canadian" campaign which was suggested at both the federal and provincial levels, we have mounted one which will be begun very soon and we hope it will be pursued in cooperation with such campaigns that the provinces themselves are mounting. On major energy capital projects, well, a report is being made in there on the progress in several fields such as the Gull Island hydro project, on the Lower Churchill, the tidal power development. Certain energy projects in western Canada and the northern pipeline. So that is, in very general lines, what these letters say and they suggest that we should continue to make progress and perhaps have further progress reports until our next session on the economy in November when we will continue to see what has to be done, not only immediately, but in the medium term in a structural sense by all our governments in Canada.





En français très brièvement. La lettre au Premier ministre Lévesque est un peu le parallèle de ce que j'ai écrit aux autres Premiers ministres à savoir une mise au point des conséquences à propos des décisions qui ont été prises en février à la conférence des Premiers ministres, notamment sur les questions structurelles, les questions concernant le moyen terme, la création d'emplois, l'amélioration de la situation économique, etc. Je donne assez en détails les actions qui ont été prises à la suite de cette conférence de février et je viens de donner quelques exemples en anglais, notamment dans le domaine du contrôle des prix et des revenus. Puisque nous sommes dans la situation post-contrôle, les provinces nous ont demandé de ne pas créer une agence spéciale pour continuer la vérification. Nous avons accédé à leur requête et nous avons plutôt demandé, comme elles le voulaient, au Conseil économique du Canada de faire ce travail. Dans le domaine des règlements administratifs des divers paliers de gouvernement, le travail est commencé pour essayer de voir comment nous pouvons simplifier ces règlements pour ne pas accabler les hommes d'affaires en particulier, les entrepreneurs. Dans le domaine de la recherche et du développement, le budget évidemment a donné une réponse précise et, je pense, fort importante dans ce domaine en encourageant un investissement considérablement accru de la part des entreprises privées dans le domaine de la recherche et du développement industriel. Une campagne pouvant inciter les Canadiens à acheter des produits canadiens lorsqu'ils sont concurrentiels a été suggérée par l'ensemble des Premiers ministres et, pour notre part, nous sommes prêts à commencer cette campagne instamment et je crois que les provinces sont également en voie de faire des préparatifs semblables et il sera important éventuellement que nous coordonnions nos efforts. Finalement, je donne plusieurs exemples de progrès qui ont été faits dans le domaine de projets énergétiques majeurs, par exemple sur le Churchill, au Labrador, sur la question de l'énergie provenant des marées et plusieurs projets énergétiques dans l'Ouest du pays. Voilà à peu près M. le président.

Q: M. le Premier ministre, relativement au conflit sur la taxe de vente, vous avez déclaré que les Québécois ne perdraient pas un sou de ce qui leur revient selon les dispositions du budget fédéral. De son côté, le ministre des Finances, M. Chrétien, a dit que l'on avait encore toute l'année fiscale pour arriver à une solution. Peut-on dire que vous étudiez présentement une contre-proposition pour le gouvernement du Québec ou allons-nous poursuivre une politique "d'attentisme" vis-à-vis ce problème ou y aura-t-il une proposition qui s'adressera directement aux contribuables du Québec?

R: Je ne pense pas qu'on puisse parler de contre-proposition puisque le gouvernement du Québec qui a d'abord refusé de discuter de ce projet avec nous, qui a refusé de dire oui ou non à savoir si le projet lui agréait ou non, qui a refusé en somme de donner une réponse, il n'a pas fait de suggestion ultérieure que de dire que nous au Québec, nous allons agir unilatéralement et vous maintenant, messieurs du fédéral, payez-nous. Alors j'appelle pas cela une contre-proposition. M. Chrétien a essayé d'expliquer comment son processus pourrait apporter des profits à tous les contribuables québécois. La proposition qu'il a faite au deuxième chef ne semble pas agréer à M. Parizeau, alors maintenant nous allons mettre au point des propositions qui sont dans l'intérêt des contribuables peu importe si M. Parizeau est d'accord ou non. Vous me demandez si cela se fera bientôt ou au cours de l'année. Théoriquement, dans le cas des autres provinces, évidemment les sommes fédérales seront perçues par ces provinces-là seulement dans un an lorsque le rapport d'impôt de l'année prochaine sera fait puisqu'il s'agit d'un abattement d'impôt fédéral qui est au profit des provinces, mais en pratique, cela permet aux provinces de couper dès maintenant leur taxe de vente dans toutes les provinces sur tous les produits, et nous voudrions que le contribuable québécois puisse profiter dès maintenant, c'est-à-dire dans les mois qui viennent d'un allègement fiscal semblable. Alors nous n'attendrons pas l'année prochaine mais je ne peux pas vous dire que ce soit d'ici quelques jours ou quelques semaines.

Q: Cela veut-il dire, M. Trudeau, qu'il y aura des dispositions de prises qui s'adresseront directement aux contribuables québécois sans passer par le gouvernement du Québec sans qu'il y ait une entente ou un échange entre les gouvernements?

R: Cela dépendra de la formule que nous adopterons. Je pense qu'une journaliste parmi vous a été assez astucieuse pour considérer la lettre de M. Parizeau qui proposait une formule que j'avais moi-même proposée dès 1969 en ce qui concerne le pouvoir de dépenser. M. Parizeau a cru bon de ressortir cette formule. Cette formule, comme vous le savez, prévoit que nous versons directement aux contribuables. Evidemment, c'est une des solutions que nous envisageons. Cela dépendra de ce qui est à l'avantage des contribuables. Je veux simplement vous rappeler que cette formule-là de crédit d'impôt est une formule employée déjà dans le cas de la province de l'Ontario, qui permet à des citoyens de recevoir des crédits d'impôt dans diverses circonstances. Alors, la formule n'est pas nouvelle. M. Parizeau se reporte à une proposition que j'ai faite en 1969 et s'il est conséquent, lui-même il voudra que j'applique cette formule comme en 69, c'est-à-dire en versant directement aux contribuables. Mais je vous le dit, c'est une des formules que nous envisageons. Il faudra dans toute cette matière être certains que nous ne pénalisons pas les contribuables des autres provinces. Et cela est assez fondamental. Je sais que ça ne préoccupe pas M. Parizeau qui tient à montrer que le fédéralisme ne marche pas. Mais dans notre cas, nous avons un système de rabatement d'impôt à l'avantage de tous les citoyens, négocié avec les neuf gouvernements des autres provinces et il ne faudrait pas que, dans une nouvelle proposition, pour rendre justice aux Québécois, nous lésions les autres provinces. Alors cela représente un problème assez délicat.

Q: La semaine dernière, vous avez dit que vous seriez prêt à dire aux Canadiens que l'on pouvait retarder les élections ou ne pas avoir d'élections cet été si les travaux de la Chambre se faisaient assez bien. Est-ce que vous estimez qu'en ce moment on est bien partis avec l'adoption d'un bill, cette semaine, sans doute qu'une bonne discussion sur le bill C-42?



R: Comme je vous l'ai dit je pense la semaine dernière, même la semaine d'avant, les choses allaient assez bien, assez rondement. Alors pour le moment, il n'y a pas de blocage en Chambre. Alors nous continuons de siéger.

Q: Pensez-vous que ça va durer longtemps cette situation?

R: Parlez-en à l'Opposition. J'espère que oui.

Q: Vous n'avez aucune entente pour l'instant?

R: Non. Mais l'Opposition semble en être arrivée à des dispositions assez sérieuses pour passer la législation importante y compris, comme vous dites, le bill C-42 dont je pense qu'une vos collègues, la semaine dernière, a été assez sceptique sur le désir du gouvernement de faire avancer cette législation. Mais je pense qu'elle est bien servie maintenant.

Q: Mr. Prime Minister, to return to the same subject, I'm wondering if you could tell us in the other official language, if you are now prepared to make a statement that we will have an election pre-summer or at what point you think you will be able to make that statement?

A: Well, I would give the same answer as I gave you last week that I would think that in fairness if there weren't going to be what we call an early election, I said I would let you know within a couple of weeks and that is still my intention. Beginning to count from last week. No, I don't mean a couple of weeks from now and so on, from week to week, but obviously you've all been speculating on a certain date in July and we can still have an election on that date in July by giving me a few days before calling the vote so I just don't want to be bound by dates that some of you have predicted with absolute certainty and now are saying the government changed its mind. We never announced any date. We never announced any date and we never made any predictions. You made some predictions which are not always being supported by the facts but I continue to take the same stance that if I don't have an election in, shall we say, called in the reasonable future, I will find it important to say, well, it's not going to be now and then people can start looking for dates in the fall and maybe even next Spring.

Q: Just to clarify then sir you were saying starting counting from two weeks ago, so we can assume by the end of next week you'll either say it's an election-free summer or we'll have something else.

A: Well, I would think by the end of next week I would be able to say whether we're going to call an election very very soon or not.

Q: Mr. Prime Minister, the Gallup Poll which came out this week has also been widely interpreted by many people as a judgment on your own leadership. Have you accepted it as a negative judgment on your own leadership and do you think that the judgment is strong enough to give you any second thoughts about continuing in that role.

A: Continuing in the role of Prime Minister? In what role?

Q: Continuing in the role as Leader of the Liberal Party?

A: Well, I haven't had second thoughts yet. I have been much lower in the poll than this without having second thoughts so I am not concerned on that score with the polls. I always quote the Good Book to myself that "man shall not live by polls alone". But, obviously there is a message in the poll for anyone who's looking at the political scene that the government has not a bad figure in the polls but our opposition

has not a bad one either and necessary that is, if it means anything, it means that citizens across the land, taken as individuals, ~~are~~ uncertain which government they would elect. But, the message is one that I will continue to act on regardless of the polls and I indicated earlier that consisted in bringing before the House of Commons and the country as many good policies in legislation as we possibly can.

Q: Mr. Prime Minister, if you decide, well, you say you will decide, if you decide by the end of next week not that this will be an election free summer, how late into the summer would you continue keeping the Commons in session?

A: Well, I think I can in sincerity indicate my preference. I have done it in the first years, I think '68, '69 and '70, I kept saying well, we are going to try to be a bit more orderly and a bit more organized and adjourn the House at the end of June so that a certain schedule can be followed but it has never been successful. We have never been able to organize the business of the House and particularly the allocation of time on the various businesses before the House in a way which would be accepted by all parties and therefore I have never been able to meet that deadline. I would still hope we would aim for the end of June and try not to overlap too much into July but that is not a promise.

Q: Inasmuch as there has been some discussion as to whether the proposed constitutional amendment package might be used in a campaign rather than be put before the House as you perhaps indicated in the Throne Speech last fall and if there were not to be a vote this summer would you then undertake to make that constitutional proposal before the Commons before the adjournment?

A: That would be my intention and as I have said repeatedly that in this session of parliament we wanted to put certain constitutional proposals forward. Had there been or should there be a reasonably early election we may not have time to do that but I could say without hesitation that if we go to the end of June we certainly can put constitutional proposals before the House of Commons and that will be all to the good because I would indeed not want them to be put in the divisive context of an election. I mean, in a sense, the House of Commons is also divisive but hopefully if we can make propositions now that the Tory party has made propositions, I mean, the federal Conservative Party and equally Mr. Davis' Ontario government has, I think, gives some publication to

some position papers on the constitution without anyone accusing them of trying to win the next election on national unity. I hope they will forbear if we make some propositions and they don't say, oh, well, you're doing it to try and put the debate only on national unity issues. That will not be our intention. I must add that now having a leader in the liberal party of the province of Quebec, now that he has been elected and now that I have had a meeting with him I was able to have discussion with him and I think that is important, that I was able to obtain his views before tabling the measure that we have in mind.

Q: Mr. Trudeau, after your discussions yesterday with Mr. Ryan and indeed after many years of considering the question of Quebec's role in confederation or what the Quebecers want from confederation, I was wondering if you could tell us what you feel today are the major problems, concerns, facing Quebecers and what you think should be done by the federal government to meet these concerns?

A: I don't think that's a fair question, you know, unless you want me to talk for the next half hour which I am prepared to do but I won't take any other questions if I answer this one. Narrow it down a bit.

Q: Perhaps you could make it brief.

A: Well, in what aspects, the constitution or the economy or linguistic policies, or, you know, what we have been doing, in my view, as a government since 1968, has been trying to make Quebecers feel more at home in Canada and that has many facets. First of all we made sure that Quebecers can feel well represented in Ottawa and that is why we have some strong members of parliament from Quebec in Ottawa, English speaking and French speaking and some of them are in the Cabinet and some of them hold important posts. We have also made sure that many areas of government or of administration which were hitherto not accessible to French speaking Canadians have been made accessible to them and you have seen in the past ten years Commissioners of the R.C.M.P., Chiefs of the Defense Staff, they are not all new, head of the C.B.C., the president of Air Canada and so on, they have been French speaking Canadians. You have seen the Minister of Finance, the Minister of Industry Trade and Commerce who have been French speaking Canadians. This hadn't been the case before so all these actions are ways in which we can prove to Quebecers that they don't have to get out of confederation to get a square deal. They can have



their say and their influence in the federal capital. We have, of course, brought in the official language legislation which has the same effect with the average citizen to make sure his government and his capital city of Ottawa will be able to deal with him in either of the official languages, the language that he chooses.

I have made a series of constitutional proposals including those at Victoria, including bills of rights and linguistic rights to make sure that the rights of French speaking minorities in the rest of Canada and the English speaking minorities in Quebec would be respected in all areas of the law and practiced. I have made many statements on the importance for businesses in Quebec over and beyond the law, businesses to make more room to French speaking Canadians on their boards and in their higher areas of management and so on and so on. But, you know, it's difficult unless once again you want me to continue which I can.

Q: I would like you to elaborate on a four word answer you gave to the House of Commons today. What responsibility do you think the government should shoulder itself for the economic problems the country has had this winter and in recent months or has it solely been a matter of international forces, opposition undermining confidence and the media spreading gloom and doom.

A: I think any answer that I give will give rise to quarrels and to criticisms. That is why my answer was in four words. We have been the government and if you want to fault us for everything that is wrong in Canada, that is fair ball. I would hope that sometimes you would give us credit for some things that are right in Canada and that would be fair ball too. But, I don't have to make any excuses. You are well informed people. You know the state of the Canadian economy. You know also the state of most economies in the industrial societies. You know the causes of inflation. You know why they happen. Some are caused in Canada and some abroad. And some better economic management with hindsight would have been possible but hindsight is a luxury that governments can't afford. They have to make decisions every day. But, I'm not trying to take the government off the hook. I realize that there will be an economic debate when there is an election. There is one on now. I think in answer to Mr. Desbarats' earlier question about what the polls tell us, certainly the polls tell us that the economy is of great concern to Canadians and

course, this is, you know, contra-cyclical budgeting, I think we are all realizing in all industrialized societies that you cannot fine tune yourself out of unemployment and inflation at the same time. You used to be able to trade off one against the other. You can't do it any longer. So, obviously the government has taken some decisions. One of them was not to go for controls in 1974 when they were not required by the situation because inflation was caused from the outside, and the other was to go for controls in the latter quarter of '75 when inflation was being generated in Canada. Indeed, we can look at these with hindsight and ask ourselves if it could have been done differently or better but we didn't wait until then to start to tackle the problem of inflation. Some of you will remember that I was talking about it most urgently in this room, I think in the summer of 1970. So, I just don't accept your point that the government hasn't been reflecting on these things and suddenly it's discovering that there is high inflation and high unemployment. The real way of stating it is that the governments of the world and indeed the economists of the universities and of the banks and business sectors have been trying to find a way out of this and that is why there has been so many summits in Rambouillet, in Puerto Rico and then in London and the next one in Bonn to try and see if the industrialized democracies, the Europeans and the Americas and the Japans can get themselves out of this and still preserve an entrepreneurial society and still be able to solve the very difficult problem of institutions which prevent the old economic rules from applying. You know, prices go up but they don't go down; wages go up but they don't go down. Coffee prices that went up incredibly, was it last year or the year before, and, of course, I mean coffee from Brazil and elsewhere, when you buy it in the store of course the price went up and when you buy it in a restaurant the prices went up even higher but now coffee prices are falling and I don't see them selling anywhere cups of coffee less than they did last year or last month so obviously, you know, what is happening? If you tighten your monetary policy theoretically you should see prices fall and wages steady but that isn't what happens. If you tighten your monetary policy you don't bring prices and wages down, you just create more unemployment. It's not supposed to work that way but it does and we haven't waited until today to think of these problems nor have the other western governments or the industrialized governments but maybe I missed your point.

in this sense I think Canadians are right because the economy is of great concern to the government too, and the government is doing whatever it can and a little bit more to try and improve the situation. The letters that I'm tabling today indicate what medium and structural measures we think are necessary. Certainly the discussions that will take place at the Bonn Summit in July, I hope will be centered not only on what has to be done today and tomorrow to alleviate the very real problems of inflation and unemployment in all the industrialized societies but that that summit will be looking at longer term measures, at structural changes which are needed; the north/south problem, the adjustment that industrialized societies must make if they are going to not embark in trade wars. If they are going to adjust to a freer international trade without causing unemployment even higher unemployment in their midst, what structural changes are necessary. So, all these are problems for the government and the government is not attempting to sidestep them and not pretending that they were just wished on us by angry anti-liberal gods. I don't think that's true.

Q: On that I think your problem is that we are well informed persons, I give it back and say you are as well, and I'm wondering whether you speak of economic matters with hindsight without suggesting the question that the government is attempting to sidestep or put underneath the carpet these problems, it nevertheless would be remarkable if a well informed individual had not reflected on government policies and their impact on the economy given the problems the economy has and not come to the conclusion that in some areas the government has erred.

A: I don't think that follows. One can have reflected on them and have dealt with them without being a hundred per cent perfect. Therefore, you can err even if you reflect and act. You know, we didn't wait until this year until the Gallup Polls were wrong to try and do something about shall we say the energy problem. We were probably one of the earliest governments to make a statement on energy. I think it was within one month after the OPEC crisis. We are the one country which has been, by government policy and by good fortune, been allowed to ease itself into a higher energy prices. Mr. Gillespie's conservation measures are certainly the ones which are acclaimed now as the most highest priority ones and he's been talking about this for several years now. It's not just a recent idea of doing some reflection on the economy. In the area of fine tuning, of

Q: Mr. Prime Minister, going back to an answer you gave to Mark Phillips on the Constitution, your government has thought off and on for the last ten years about the constitution. It was promised very specifically in October in the Throne Speech for this session of parliament and a variety of your ministers suggested the month would be March. Can you tell us what the nature of the delay is that has swept us past March and into May and maybe if there's an election, maybe not there is an election.

A: Well, I suppose one more of the contradictions of the objective situation to talk like the sociologists; we knew when we made the Speech from the Throne and I have said this before but I will repeat it gladly, we made a very deliberate attempt to put all the economic measures first and the so-called national unity measures only second and last. And when we scheduled the work of the parliament we promised ourselves and I told you it was not a secret device that we would only come to constitutional measures laterally because we knew for some reason or another, the feeling is that the liberals can only talk about national unity and the opposition wants us to talk about the economy and we are only determined to talk about national unity and the constitution. But we haven't talked about national unity and the constitution and now the complaint is why don't we.

Well, once again we didn't follow your projections or your predictions. We are concerned with the economy. We believe the Canadian people are concerned with the economy. Another thing on the constitution is that I did privately talk to the premiers about it in November and December when I visited them. You will recall I debriefed myself after each conference and had to keep insisting that we talked about the economy an hour and forty-five minutes and, well, how much did you talk on national unity. Only twenty minutes. Oh, thank God. You know, if we had talked half and half it wouldn't be enough so this has been our order of priorities. And many of the premiers repeated to me and I have said it again, Mr. Ryan told me yesterday, you know, don't go too fast on the constitution. If you come too fast with the constitution it will look as though you are trying to proceed unilaterally. This must all be done in consultation and so on. So, we gave Mr. Davis and Mr. Clark and the western conference and a lot of people time to come out with a constitution. We looked at what they had to say. We adjusted our own thinking and we are going to come out with some, I think, modest proposals.



I noticed that most of the thinking on the constitution has been a re-editing or a rehash of the thinking that we had and published between '68 and '71 in our various White Papers particularly the one called The Constitution of Canada. It's all there. You know, the Flora MacDonalds or Bill Davis' or Joe Clarks, it's all there and I am not saying that they copied from us. There is only a certain number of things you can do. There is the division of powers. Then there's a few institutions like the Senate and the House of Commons and the Supreme Court and so on. So people have been talking about this. The Pepin-Robarts Committee has been set up and when it was I remember the enjoiners, "but surely you can't come in with your constitutional proposals until they have made a report." Well, no indeed. We hoped they would come in with an interim report. Then, they told us laterally that they weren't going to do so. So, we said we cannot wait to table ours until you come out with your final report in November or December, whenever it is. So this has been the dynamics of the situation. I make no apologies for it. I am glad that now there is an increasing demand for constitutional debate from the media because I'm sure that it will, you know, spill over and it may become an election issue then we will be all right.

Q: A very brief supplementary: I wasn't actually expressing a demand for constitutional debate. But I was curious as to why we hadn't seen it before and I was not sure whether you were telling us that time in the House of Commons has not permitted you to introduce the legislation for consideration or whether there has been lack of attention in government to that whole problem or whether you had simply established your proposals but decided not to publish them or whether, as I asked originally, there were some kind of block, a lack of decision on specific points.

A: Well, it was neither the first or the second reason you gave. In other words, it isn't because the House of Commons prevented us from introducing anything. We could do that by tabling it. And it isn't because the government has not put any work into it because a great deal of work has been put into it. The reason why it hasn't come forth sooner is once again because we are more concerned with the economy and we still believe that Canadians are than with constitutional proposals and, quite frankly, I was being a bit sarcastic in saying I'm glad there's demand for them but that is perhaps not a bad thing. If people are anxious to see

what we have got to say, well, so much the better because, I repeat, we said it all between '68 and '71 and people did not notice. It was dismissed, I recall, by some of the commentators as, oh, gee, you know, just a very small package. It really wasn't very much and the truth is that maybe it was a discussion for politicians and for media people but it certainly wasn't in the minds and in the hearts of the people that we needed a new constitution for Canada. Now this is beginning to be obvious and perhaps when we will say some of the same things or perhaps some new ones the people will say: Well, by gosh, you know, this is interesting thinking. Perhaps we should hear a bit more about this. And, as I say maybe it will become a subject of debate in the election whenever that comes, maybe not, in which case we will not debate it. It is not our intention to hold it for the election in order to make it a part of the matter. Quite frankly I think I said it in my speech, in the Throne Speech debate and certainly on other occasions I'm glad that there is a consensus developing for instance on the need to have a constitutional bill of rights. Mr. Clark's party has now said it. I believe Mr. Davis' party has said it. Mr. Ryan has said it. And I believe the various provincial premiers have said it. We need a constitutional bill of rights. Well, you know, this is exactly what we tried to get in '71 and we did not because, well, I guess at that time it was not an urgent thing and in fairness I must say most of the premiers were going along with it which hopefully a lesser version of what we would be able to go along with now but here again, at that time, Quebec was not ready but now I think there is -- and so much the better. It won't be a partisan matter. If Mr. Clark's party, Mr. Broadbent's party and our party are prepared to adopt a constitutional bill of rights, not in rapid debate but with a multi-party approach to this I would be very happy. We are not trying to hog the idea. We are very glad that it is being shared and I think the dynamics of the situation has been good but we are not trying to push it. We are not trying to force it down people's throats, to use the expression.

Q: Mr. Prime Minister, you are scheduled to meet tomorrow with the Japanese Minister of / External Affairs, do you intend to take up any specifics regarding trade and tariff concessions?

A: I wish I could help you but I cannot. I have been invited to a meeting with him by Mr. Jamieson. I am sure I'll have a lot of briefing on that precise question tonight but I haven't seen any yet.

I have been told that he will want to discuss of course multi-national trade, multi-lateral trade and I hope we will have some discussion about the Bonn Summit and what we attempt to achieve there and perhaps if I can communicate some of the ideas that I have just mentioned to him about the importance of not only looking at the short run but at the medium term adjustments that the western and industrialized and Japanese societies must go through. I think it will be as general as that, insofar as my role is concerned. I'm sure Mr. Jamieson and Mr. Horner and others will be discussing much more precisely in trade matters.

Q: In terms of your election strategy, you told us a month ago or so with what I thought was iron logic at the time that if it looked like you couldn't win an election you certainly wouldn't call one. I wonder what more evidence you are waiting for before you decide not to call one this summer?

A: Well, if it's as evident to you all I can say it's not all that evident to the liberals in my party. A lot of them are determined to win the election and hope we will call it very soon within, you know, within a week or two. I guess all that proves is I'm less confident of myself than other people are, perhaps including yourself.

A: Mr. Prime Minister, if we could return to that tax question with Quebec. You said that in this reaching a solution you wouldn't want to penalize the other provinces where they are already benefitting though from the sales tax reductions so if you were to opt for one proposal of direct return of the monies to the people of Quebec, how will that penalize the people in other provinces and why wouldn't you opt for that proposal and if not a direct payment, what other options are available to you to insure that the people of Quebec are not penalized?

A: Well, I said that may indeed be one of the courses we will follow. When I say the other provinces should not be penalized I was of course referring to the essence of the scheme itself which was to get provinces to cut sales taxes not only on products which they make but on products, all products which consumers buy. I think the logic of that would not have escaped such an astute observer as you but if each province had been given the choice that Mr. Parizeau claims for himself, well, Ontario might have perhaps only cut taxes on household appliances, automobiles and a few such things and perhaps B.C. would have cut taxes only on plywood products and other such things as they make in British

Columbia. And, the nature of the tax as accepted by all the provinces was that we should encourage Canadian trade and Canadian manufacture, yes, Canadian trade and Canadian consumers regardless of what they buy. Whether it is made in province A or province B or for that matter, somewhere else. That Mr. Parizeau comes in last and he says, "well, you know, now that everybody has encouraged everybody else's trade, I'm going to interpret your offer so that you encourage mostly my trade." Some people might object to that and we want to make sure they do not. Obviously you don't and I suppose most Quebecers would not but it's not inconceivable that some of the other finance ministers would say, well, no fair. You know, we have done this in the name of all Canadians trying to help everybody, all small businessmen and all producers of manufactured goods or whatever and you are using the federal incentive only to help mainly industries which are in Quebec.

Q: But would you acknowledge sir that the federal incentive in effect was an intrusion into a provincial sphere of activity called retail sales tax and <sup>they</sup> should be the masters of the decision?

A: Well, that is why we consulted with them. That's why we asked them, do you want to go along with this. I don't call it an intrusion, if I say, look, you have got a property next to mine and I'll give you \$500 if you tear down that awful looking barn you have got. It's your barn, you don't have to do it but if you want my \$500 you will -- depends what your barn is worth but that's not an intrusion is it, but, you know, I don't understand the difficulty that people have in perceiving this. It would be an intrusion if we forced them to do something but if we say, look, we have got some dough we can cut our taxes or we can give you money to cut yours. That's not an intrusion. If Mr. Parizeau had said, "no way. I'll never go along with such a deal." We would have had to sit down with him and say "well, okay, what kind of a deal do you want" and he would have said, "well let me cut it only on furniture and so on." Well, we say, "that's not exactly what we propose but maybe that is a way of doing it, let's sit down and figure it out and if you do that of course you realize that Ontario will only cut it on certain other things and so on and is this in the interest of Quebec" but we would have had a civilized argument. But it's not intrusion if you're asking somebody to make a deal and he accepts it. Certainly this is what happened with



the other provinces and in the case of Mr. Parizeau he didn't say he rejected it. Now, with hindsight once again, people will say, oh well, as long as he hadn't accepted, you shouldn't have gone ahead. Well, imagine the cry we would have heard if we had postponed the budget for a week waiting for Mr. Parizeau to make up his mind. Obviously, he was intent in being a spoiler of letting the deal go through with everyone and then coming in and high grading, as I put it once. If anybody supports a high grader, he does not have my respect.

Q: Mr. Prime Minister, à propos of burning barns, I wonder if I could ask you a small package of, I hope, tightly related questions about the R.C.M.P. in the reporting on political candidates. Whether you have had an opportunity to ascertain whether the policy instructions issued by the R.C.M.P. on January 1st, 1971, were in fact a result of the instruction received <sup>from the Cabinet Committee on</sup> security at the time of the F.L.Q. crisis to the R.C.M.P., not to forget about subversion <sup>from</sup> within. I am wondering secondly if that policy, election policy of the R.C.M.P. <sup>ceased</sup> or was altered in 1975 as the result of your instruction to the R.C.M.P. to discontinue systematic surveillance of political parties and finally I wonder whether you made any inquiries yet as to R.C.M.P. policy in the forthcoming election, whenever it may be, and whether if any instructions to the R.C.M.P. as to what are the acceptable limits in the government's eyes, acceptable limits of police activity at a time of elections.

A: Well, can I say rhetorically that I'm glad you asked that question because I answered it tentatively last week but not being certain of the date, I believe one of the reporters said that the instructions were contained in a manual which, incidentally they still have not shown me which <sup>the</sup> dated 1971 and the attempt was made I believe in /question as it was in Mr. Stanfield's point in the House and others to link our instructions to the security people in '70, '71 to be more concerned with internal subversion and violence. An attempt was made to say, aha, but that is when they started looking at candidates. It has been stated very clearly and repeatedly in the House by several people including myself as recently as, was it yesterday or the day before, that this procedure goes back as far as we can see. The police have told us it goes back at least to the mid forties and probably beyond. It has existed under Mr. St. Laurent and he didn't change it. Under Mr. Diefenbaker who claims that he knows everything the police were doing

and he didn't change it; under Mr. Pearson and he didn't change it; and, under myself and presumably if the date is in the mid-forties it even existed under Mr. Mackenzie King and for all I know Mr. Bennett and points beyond. So, obviously your first question is very simply answered by that. It isn't something the police started doing when we said be concerned with internal subversion. So that should put that suspicion to rest. The second point was?

Q: Was whether the practice ceased in 1975 when you issued the guidelines to the R.C.M.P. on systematic surveillance.

A: No. The second and third points, no, it didn't cease. Of course I didn't know it existed. Unlike Mr. Diefenbaker, I'm not concerned with the day to day operations of the police. I didn't know they were doing it. I learnt it when probably the rest of you did when this was stated before ~~was~~ it the McDonald Commission and as this manual put it so I didn't make any attempt to stop it. I did in a particular case, that of the P.Q. when I learned that the R.C.M.P. were systematically surveying a legitimate political party, namely the P.Q. I asked them to stop that but I didn't ask them to stop checking candidates of any party against their own security files because I didn't know they were doing it. Having found out last week that they were doing that, we've had a debate in the House, I haven't heard any clear preference expressed. Quite frankly I haven't given any orders that it not take place in this current election or in this current period. I would quite honestly be guided by the House of Commons if they wanted to debate the issue and if they wanted to propose a resolution that henceforth the police shall not take names of all those who are running for political office and check those names to see if they have a security file, I wouldn't vote against such a motion. I don't see anything basically offensive with it. I don't <sup>think</sup> that if a person is running for office, that suddenly makes him impervious to security surveillance. Assuming a person is shall we say a known spy and he decides to run for the role of alderman in some little city, this does not mean that the police should stop being concerned with him surely. Now, on the other hand, if so and so is a known spy and he is running for office, I would think it has some importance to the police and therefore there is nothing wrong with them putting that in his file and he attempted to be elected to such and such a public office on such and such a date. It is public knowledge. They

add it to his file and I really cannot get excited about that but I know that the civil libertarians and the public are very sensitive to these things, probably more than I am and I am prepared to be guided by their superior wisdom. If you can show to me that it is in some sense offensive for the police to read the newspapers and say "aha, so and so is running as a member of parliament, <sup>I'm going to see,</sup> it seems to me I remember this name and I am going to check <sup>if he has got a file as a known</sup> terrorist; I just -- I know I have come a long way as some of you said last week since I was interested in civil liberties but I just can't find this repulsive to a democratic society but I'm prepared to hear argument from you or from across the aisle of the House of Commons.

Q: Accepting that the policy has gone back a number of years and perhaps to the mid nineteen forties, the fact that these particular instructions were dated the first of January, 1971, do you know whether that represents any change in policy in the intensification or formalization of a policy.

A: Yes, I can answer that according to my information is that the policy was exactly the same before 1971 as it has been since '71. That is, well, exactly the same (let me be careful) in terms (and this may interest you and I will try and get it right) exactly the same in the sense that they used to look at names of people running for various levels of government, federal, provincial or indeed municipal. That was true before and it is true after. I understand that under my term of office without me being directly responsible, but probably the police know as you know <sup>that</sup> I am a civil libertarian and they said, we'll have to be more careful with this guy. Under my term of office they ceased once they have established that a person was running, if he was running and did not have a file that settled the matter but if he was running for some office and had a file and he was running for federal office, then they would have a watching brief on him. If he was running for some other level of office, if my recollection is correct, they stopped watching him. I suppose presumably leaving that to the provincial or to the municipal police. This as I say, I would have to check that with detail. It wasn't done as a result of any demand by me because then I would be hit by those <sup>who say: /</sup> "what, you're not spying on those who are running for provincial office". "You know that's where all the communists are" and everything else so I didn't do anything on that. But I'll check <sup>if my</sup> recollection of it as it happened is right.

RELEASED  
9:00 P.M.

TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE  
OTTAWA - MAY 11, 1978 - 4:30 p.m.

TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE  
A OTTAWA LE 11 MAI 1978 - 16:30

Q. M. le Premier ministre, certains de vos ministres, MM. Goyer et Basford, ont indiqué leur intention de ne pas se représenter et peut-être même de quitter avant que l'élection ne soit déclenchée, un autre a <sup>quitté</sup> pour le Sénat. Est-ce que vous avez l'intention dans ces circonstances peut-être de modifier votre cabinet, de le remanier, de façon mineure, sinon de façon majeure, dépendant de vos priorités?

R. Certainement pas d'ici la fin de la session, mais il se peut qu'au cours de l'été, je veuille remplacer effectivement les ministres que vous avez nommés, ce sera à discuter avec eux.

Q. Est-ce que dans ces circonstances-là, on peut s'attendre aussi que que les ministres actuels changent eux aussi de porte-feuilles, par exemple, <sup>pour</sup> peut-être rajeunir votre cabinet?

R. Oh, vous savez, si je le rajeunis, on dira certainement, ah vous avez perdu des bons gars solides, un peu âgés; et si je ne <sup>le</sup> rajeunis pas, on me dira, vous avez trop gardé de gens âgés. Alors, je n'essaie pas de prévoir ce qui fera l'objet de commentaires favorables. Je verrai au cours de l'été s'il y a lieu de faire un petit ou un gros remaniement, je déciderai à ce moment-là.

Q. Pour enchaîner sur le même sujet, M. le Premier ministre, il y maintenant quinze vacances à la Chambre des communes, on sait qu'il y a déjà huit élections partielles qui sont prévues à l'automne. Est-ce que vous avez l'intention de combler toutes les vacances d'ici l'automne?

A. Vous voulez dire par d'autres élections partielles? Je vais me faire donner un rapport, je ne sais pas combien de sièges ont été déclarés officiellement vacants et à partir de quand commence à compter la période de six mois durant lesquels le gouvernement a à décider des élections partielles, mais maintenant



que nous <sup>avons décidé</sup> de ne pas avoir des élections, incessamment, je vais me pencher sur ce problème.

Q. vous vous êtes expliqué brièvement aux Communes. Est-ce qu'à part des sondages, il y a vraiment des raisons fondamentales qui vous ont incité à ne pas tenir d'élections à ce moment-ci. Vous avez dit que vous croyez que le parlement devait continuer son travail, mais enfin on a quelquefois l'impression, on nous a amené à croire depuis plusieurs semaines, qu'on se dirigeait vers une élection. Alors, quelles sont les raisons fondamentales, à part les sondages dont on a beaucoup parlé, qui vous ont amené à prendre cette décision-là.

R. Je suis content que vous mettiez à part les sondages, j'aurai pas à le faire. Ecoutez, je me suis posé la question, qu'est-ce que la population peut bien vouloir maintenant? C'est d'ailleurs un peu la question que j'ai posée l'automne dernier, lorsque, vous le savez, il y avait également à ce moment-là des rumeurs d'élections. Qu'est-ce que la population peut bien vouloir? Et j'ai répondu à ce moment-là comme je réponds en ce moment-ci, ils ne sont pas certainement satisfaits de tout de qui se passe sur le plan économique, sur le plan de l'unité nationale, sur le plan des relations fédérales-provinciales, mais quel est le message essentiel qu'ils nous envoient? C'est de porter remède à ces différents problèmes. Et comme je l'ai dit en Chambre, comment y porte-t-on remède le mieux, en déclenchant des élections ou en essayant de faire avancer certaines politiques? Sondages mis à part, il semble assez évident qu'il y a beaucoup de gens qui ne sont pas décidés quant au changement de gouvernement ou quant au maintien du gouvernement actuel ou quant à son remplacement par un autre. Alors, partant de là, je me dis, eh bien, les gens ont un certain nombre de problèmes en tête, veulent que le gouvernement donne des réponses à ces problèmes-là. Je pense que les gens veulent que ces réponses soient données par le gouvernement fédéral et par les gouvernements provinciaux, et donc je décide: la population ne me presse pas de faire des élections, je n'en fais pas.

Q. M. le Premier ministre, vous avez dit en Chambre aujourd'hui qu'on connaîtrait bientôt vos propositions sur les amendements constitutionnels. Vous avez même précisé que, non seulement on parlerait d'amendements constitutionnels, mais que ce document aborderait également le champ de l'unité nationale. Est-ce que vous pourriez expliquer davantage.

R. Je suis toujours devant le même dilemme, de vous dire des choses en réponse à vos questions que, en vertu des traditions parlementaires, je dois d'abord communiquer à la Chambre des communes. Je répète donc pour vous ce que j'ai dit à la Chambre des communes, nous avons promis dans le discours du Trône, d'avoir des mesures relatives à la constitution et à l'ensemble du problème de l'unité nationale. Il aurait été possible que, si des élections étaient venues avant de déposer ces choses en Chambre, vous les auriez vues seulement après les élections, on pendant, mais maintenant que les élections, il n'en est pas question, j'ai dit en Chambre et vous le répète, nous viendrons devant la Chambre avec des propositions assez bientôt.

Q. Une supplémentaire, est-ce que je pourrais vous demander quand vous dites bientôt, en termes de délais, est-ce que vous pouvez nous situer cela à peu près?

R. D'ici une quinzaine, je vous avoue que nous sommes prêts, mais je ne suis pas trop sûr s'il faut commencer cette relance par des mesures relatives à l'unité nationale ou s'il ne vaut pas mieux commencer par des mesures économiques. C'est ce que je débats dans ma tête actuellement.

Q: I have two questions, if I may, in case an election is not called within six months of the budget, will the income tax rebate be extended? Secondly, there have been rumours and speculation of pressures from within the Liberal Party for your resignation or retirement in case there is not a summer election. Do you expect any such pressures to develop, and how would you respond to them?

A: On the first question, you are asking me about a budgetary measure, and particularly about, in effect,<sup>a</sup> tax cut six months hence. I would not even tell you if it were six hours hence. So, I am not going to tell you now that the Government is thinking of cutting taxes six months down the road.

There have been in the past many budgets in the fall, even if there is a regular budget in the spring. I am sure we would not exclude that possibility, but what the nature of it would be, what the content of it would be, obviously would depend on the economic circumstances prevailing at that time.

We are satisfied that the recent budget was a good one. There have been favourable responses from the economy and the economic decision makers. Perhaps the strengthening of the dollar is not unrelated to the sense of confidence that emanated from those who observed the budget and, therefore, we see no need at this time to talk of a future budget six months down the road.

Insofar as the speculation about my resignation or removal, I would probably be the last one to hear about such rumours in the Liberal Party, but if there are such rumours, you will probably be the first person to tell me about them. So I wait with baited breath from week to week to hear from you on this.

Q: A great many of the stories are saying today that the lack of an election represents a change of plan on your part. Can you tell us whether you actually did plan to have a spring election, and if you actually considered having one last fall, in fact, and was there, indeed, any change of plan or is the universe unfolding as you indicated?

A: I certainly had no plan for an election in the fall and no

plan for an election in the spring, but it is obvious -- and it certainly was obvious to you -- since there was talk about it, that the spring would have been about four years since the last election, or at least early summer would have been, and that is a time when young people's fancies turn to elections, and, therefore, my fancy turned somewhat to an election, but I cannot say that I planned for any and had to turn off a lot of plans.

I could not say as much for the Party itself or the constituency organizations. I have no doubt that many of them were geared up for an election, but they were not geared up for an election at my instructions or my wish or desire. I remember too well what happened in 1972 when my party had geared up to an election which I had never announced. They found it rather painful to turn off.

I think this time the Liberal Party, at any rate, remembered '72 and, therefore, because I had not announced any election, they were somewhat more reserved and cautious in preparing for one. Therefore, perhaps the turning off won't be as difficult as it was in '72.

Q: Can I then ask about the candidates who have been nominated for the eight by-elections on the new electoral boundaries who now face re-nomination on the old boundaries and then, if you call a fall election, yet another nomination on the new boundaries, which would be three nomination meetings in all those ridings. Can they really dismiss the idea of a fall election and proceed until the by-elections take place on the old boundaries?

A: This is a bit esoteric for me. I am not quite so sure what the situation with boundaries is. I hadn't conceived that new nominations would be required simply because I am not calling a general election.

Q: The fact is, sir, that they have all been nominated on the new boundaries and the by-elections will be held on the old boundaries.

A: Why won't the by-elections be held on the new boundaries?

Q: That is a bit esoteric for me too sir.

Q: I have also a question about the by-elections. I will take you back to the winter of '77 when there were six by-elections coming up May 26th. In the room you gave an indication that these by-elections would be very significant, a kind-of mini-election, not only because of their importance in connection with Quebec, but also to get a feel across the country. Would you say that we should begin to interpret the by-elections on October 16 in the same way, as kind of a mini-election and in which there will be a great deal at stake in terms of the government's security?



A: I am very honoured that you asked for my advice on that. I remind you that last time you, and I mean collectively, were asking me, "do you think this will be a mini-referendum or a mini-general election"? And I attempted to be as helpful as possible.

I think at that time, because of the election of the PQ in Quebec, which was a very recent event in the period that we are talking about, the early winter of '77, and because of the sorry situation in which I was in the polls and in the state of -- I guess even some liberals. I had a 20% vote of no confidence at the congress, and so on. I think I probably recognized that the times meant that I darn well had to win these elections or I would be losing my grip. I would not give that interpretation to the fall elections, at least not yet. Maybe if you ask me that question somewhere around the end of July I will give you another answer, but right now I do not consider them as a mini-general election, particularly because we inevitably have to have a general, general election, or a maxi-general election within six months---

Q: By next July.

A: Yes, whereas as last year that was not the case. We were still two potential years away from a maxi-general election.

Q: Mr. Prime Minister, in the House of Commons today you suggested that you felt a one year scenario, and a next spring election, March was the month I believe you suggested, was more likely -- and I believe this is what you said -- than a fall election, but a fall election was not ruled out. Can you tell us why you feel that a spring election is more likely in your thinking, and whether it has anything to do with the potential timing of the Quebec Referendum?

A: The main reason, quite honestly, is because I would hope to avoid a new series of press conferences and speculations in the House and cranking up of electoral machinery for the fall, and then, if there is not an election, it would have to be cranked down and we would have to begin again in the spring.

I really wish everybody would forget about elections now that we have had really two false starts and say the day the writs are issued, "Gee, the election is on; let's start running."

That would be my preference. I think you would probably prefer that too. You people do not want to interrupt your vacations or job of writing serious commentary about the government and the situation at hand.

I think it would be a relief for all of us if we put it as far back as possible in our minds and just let it happen.

I did not indicate a preference -- at least I did not mean to. I said of course there could be an election in the fall but I would not rule out the possibility of a spring election. Maybe I should not have even mentioned the fall. Let me say I won't rule out the possibility of an election some time next spring and put it as far away as possible.

Q: Can I follow that up for a moment. Implicit in that answer is the suggestion that the media is somehow responsible for the speculation. Who do you think is responsible?

A: No, no. I would never make that mistake. I take the whole blame for this sorry misunderstanding.

Q: Mr. Prime Minister, would you quit if you felt that that would help the Liberal Party win the next election?

A: I don't think I would, no.

Q: Mr. Prime Minister, I am sure that the verdict of the man on the street on today's events will be that you are simply backing away from an election which you feel you can't win. Isn't this verdict a political danger for you, and how do you plan to try to turn that situation around over the next few months?

A: Well, assuming it is not an imaginary danger, I don't suppose there is much I can do to turn it around. I do not think the man on the street, except perhaps a few <sup>that</sup> you know, are really concerned at asking themselves why there is not an election. I would think it is a problem that does interest, and rightfully so, people like ourselves.

I answered one of the first questions in French by saying that my view -- and, honestly, as I am sure you have, I have tried to ask myself what the people want at this time. I think it would be an exaggeration to say they were just yearning for an election and that I should not grant it to them can only be interpreted as a weakness on my part. I don't think they were yearning for an election any more now than, as you yourself said, last fall. They will probably begin to yearn for it when they are sure they want to throw the government out and put someone else in, or alternatively when the writs have been issued and the machinery begins to be cranked up and they will say, "let's get it over with. Two months is a long time."

Q: Can you expect us to believe that in some way polls did not

play a part in this whole thing? Last fall the election rumours all started. We know you were thinking about one because you were high at the polls, but you decided not to go then. Last week you had not decided whether you were going to hold an election, and you told us you would let us know today. What happened in the interim? What do you feel about the business of polls deciding elections in Canada rather than people?

A: I didn't set polls aside as a consideration. I point out to you that the question was asked in those terms. "Setting aside the polls, why didn't you have an election?" I answered that question. I would remind you that, some weeks ago, I told you that I had not seen that there was an obligation to have an election last fall when the polls were high, and I certainly wouldn't see an obligation to have an election now when the polls are not high. I think I said that in so many words. But, I can honestly tell you that polls are not the only element on which one makes up one's mind. In the case of a Prime Minister -- and I think I am quoting myself again -- I don't know of many who don't call an election when they think they are likely to win, and win well. So, I would not claim that that kind of self interest is completely foreign to me. But, that is one of the many considerations that one takes. I mentioned that one, but I mentioned other ones a moment ago.

Q: One supplementary. If the polls had been really terrific in the last month, would we not be into an election campaign right now?

A: What was that I said about my grandmother, if she had wheels ---

Q: Just a clarification on the previous question. How did you make this determination that the people did not want an election, that they were really interested in having you go back to parliament and solve the problems which you enumerated. Could you tell us what your process of determining the pulse of the people is in this case?

A: That is a very particular gift that politicians have. They claim to feel what the people want at a particular point in time. It is on this that they base not only election decisions, but policy choices.

I think, indeed, probably that is why some politicians are successful and others are not, and perhaps that is why some are successful sometimes and not others. Every man or woman in politics is attempting to assess the state of the nation at a particular time. We are not always right and we don't always agree among ourselves within the same

party or even in Cabinet. But, surely you are asking me to give you an answer about the imponderable. A politician is more than just a man who administers the affairs of state. He is a man who, once again, has some claim to be speaking for the ideals and aspirations of the people at a particular time, and you assess that as best you can and you are judged to be successful or failure by subsequent events.

I would gladly take a supplementary, but to me it is as difficult as that to explain how you decide what the people feel.

Q: Are you suggesting that polls were only a small part of the decision? We have all been able to read the polls and realize that those change. We have not seen a big change in the other indications. It is valid question to ask you what hard evidence you have that people do or do not want an election?

A: People in caucus, members of parliament, tell me constantly how things are going and how they feel about it. Even at election times they do that, but between elections they do that too. They tell me that in their riding and their part of the country that people are very happy and that they have had a successful year in whatever it is, and at other times they do not. You do not have to have polls to get these reports from members, from people in the party and from people who correspond with me and so on.

Polls are one way of attempting to sense public opinion. I suppose people who work for the media are trying to sense and interpret public opinion. Polls do that, politicians do it to. Since the Prime Minister has to take the ultimate responsibility for saying yes or no we have an election or not, he gets as much feedback as he can. Because he gets a lot of contradictory advice -- you know as well as I do that many people in my party wanted an election now and many did not want an election now. It is the same thing in the Cabinet and probably the same thing on the other side of the House to. So, at one point I make up my mind.

It would be really simplistic to say that I just get a poll and that relieves me of any obligation. It is not only the poll where it is but where it is going and whether it can be changed in an election campaign and whether this satisfaction is superficial or lasting and what the people really want at a particular point in time.



My assessment is that at this particular point in time they were not screaming that they wanted an election. They were saying that there were a certain number of issues that had to be dealt with, and were they being dealt with in an election I am sure the people would have said they would listen and vote. But, they can also be dealt with in the House of Commons, as they have been in the past four years of this parliament, and will continue to be for as much as perhaps another year.

Q: You said the public mood was that you feel that they want the economic problems, federal-provincial problems and national unity problems dealt with. When will you consider they have been dealt with, when the polls show you are back on the way up, or when you have accomplished certain specific objectives in each of those fields? In other words, what are your targets in those fields? What do you want to do?

A: National unity is one of the examples you gave, and I am somewhat happy and relieved that we will be able to answer the many that have been asked in and out of this room about the government's <sup>questions</sup> position on national unity.

So, when that is behind me and action has been taken in that area, certainly I will feel less pressed on that account to stay around and do other things.

Certainly in terms of managing the economy some things are still pretty important. Many of them are before the House and we will be putting them before the House in weeks to come. But, the answer to your question -- I guess the only sure answer is that at some point the constitution says well, that's enough. You have to go to the polls now. Short of that period, I repeat, I do not know any Prime Minister who calls an election except in the hope that he will win it.

Q: Did you meet with Mr. Turner within the last forty-eight hours?

A: No, but would you lengthen the period of time a little bit?

Q: This week?

A: Do you begin the week on Sunday or on Saturday? I am serious?

Q: Are you expecting to have a liberal party leadership convention before the general election is called?

A: The answer to that is, no, if I can help it, but I am sorry you missed your chance on the other part of the question.

Q: If you hadn't had any intention of calling an election for

early summer or late spring, why was it felt necessary to rush through a bill banning a postal strike? Perhaps, more importantly, why did you feel it necessary to deprive some hundreds of thousands of citizens of representation in parliament by appointing MP's to other posts, particularly in Ottawa-Center where the important position of Member of Parliament was exchanged for a rather minor position on the bench? These people, I take it, will now be without representation for an indefinite period of time?

A: On the first question, when I brought in the bill it was made quite clear that this was a contingency plan. It was obvious that the spring was a possibility for an election. I don't deny that. I didn't deny that. I just said until I call it, there's no certainty there will be one. Had there been one, and had a strike come up during that election period, that strike would have had the effect of not only making it very unpopular for the government, but generally it would have inhibited the democratic process of using the mails to send not only partisan material, but material which is essential to the election process itself.

So, that was a normal kind of contingency planning. I explained at the time that we had taken that measure as regarded all the private sector under federal jurisdiction, and it was a matter now of extending it to the public sector, as we do in Bill C-28. But, when I saw that Bill C-28 would not be passed, I did at least for the Post Office what we had already done for the private sector, that is, make a strike postponable during an election period.

The second question was?

Q: I asked you what the haste was of appointing Hugh Poulin to the bench, not to mention Mr. Sharp and other MP's?

A: Let me put it this way; some appointments had to take place. Mr. Sharp's is a good example. The Foothills Pipeline Agency was set up and it needed an official in it, so Mr. Sharp went to it.

We offered that to him; we thought he was competent and he is and he will do it.

Mr. Fairweather is another example. We did have to find a Human Rights Commissioner. We knew that Mr. Fairweather was ideal and that he would like that job, so we named him to it.

The six county court vacancies are another example of that. There were six vacancies that had to be filled. We knew two members of parliament, one from the N.D.P. and one from our side who were hoping to

get those jobs. We could not say we would wait another few months or another year to fill those jobs.

But, you know, yourself, because I have the question in this room, that there are other members of parliament on both sides of the House who are hoping that when the election is called not to run again and are hoping to fill certain posts which are not vacant or are not urgently required to be filled now. I have not filled those. I have filled those that had to be filled. I do that all the time. I have not filled all the Senate seats. I have not filled all the order-in-council positions which are open. I fill them as they become necessary.

Believe me, in as far as I have any control over it, I prefer not to create a vacancy in the House of Commons. I think statistically I have created more on the other side than on our side, because I don't want to be short of members in the House of Commons.

To put this long answer in a shorter way, if I had been sure there was going to be an election, there would be more vacancies in the House of Commons on both sides than there are now, but I was not sure and, therefore, I did not vacate them. I named those that could not wait. Mr. Sharp and Mr. Fairweather and the two judges are good examples.

Q: Mr. Prime Minister, the election machinery has geared up to a certain extent. Do you have any idea how much money has been spent by your party for films, literature and hirings, or do you concern yourself with trivialities such as money?

A: I don't know how much money has been spent, but it doesn't mean I don't concern myself with what you call trivialities which I call very important things.

I imagine that what has been spent to print signs or literature, particularly that which says what a great Prime Minister I am and that I should be re-elected, I am just counting on that forcing the party not to hold a leadership convention because they will have spent enough money to re-elect me that, even if I wait a year, it won't be lost.

But, look at it from the point of view of the people. What does a general election cost? Fifty million dollars or something like that. If we can stay that off for a year, don't you think that would be money saved? Perhaps that is why the people are not clamouring for an election.

In the future, if we could go every five years instead of every four years, that would mean that you would save something like a quarter of a billion dollars every four elections.

Q: Mr. Prime Minister, returning to this question of all this unnecessary speculation that has been wasting so much time recently, as you said earlier in the press conference, you gave your party no instructions to gear up for an election. In spite of that, it blew about \$100,000 on the Goldfarb survey, it has held nomination meetings all over the place, it has hired a lot of people for the campaign. In the light of this gross disobedience, do you plan to fire anybody?

A: I think that is an unfair description of disobedience. I said I didn't give any special orders to do things, but I didn't forbid them from doing things. Take my own constituency. I was consulted as to when I would like to have a nomination. I said we are not sure we are having an election, so let us not have a nomination now. I was in my riding about two weeks -- or -- maybe about three, I can't remember.

It would have been an easy thing to have my nomination meeting then, but I said, "No, I'm not sure we are going to have an election, so cool it". I have been telling caucus this for two or three weeks, as you probably know. I have been cooling election speculation.

Q: Before I ask my own question, I cannot resist a supplementary to Carol MacIvor's. Did you meet recently with John Turner, if so, when and for how long, and what was the purpose of the meeting?

A: Well, there is a writer I like. He is very thorough and does not let the facts escape him.

I did meet John Turner last Saturday at the York Club in Toronto at a reception that Walter Gordon and his brother had following the Pugwash Conference. I talked to John briefly, but I did talk to his wife quite a bit.

Q: That is all I'm going to get.

A: I didn't talk to him since.

Q: The question I wanted to ask you is, you said twice now that the party was geared up not at your wish or desire basically, but it did gear up. You did say things like you would let parliament run for a few more days or weeks. You did make a round of appointments which a man of your experience would know would be perceived as being pre-

electoral. Do you have any sense that you were in any way misinformed



or led into illusions about the national mood by your political advisors, and if so, do you have any intention of making any changes or additions in your advisory circle?

A: I really think the essence of your question boils down to Bruce Phillips' about appointments. I must insist that that answer should be looked at by you.

When there is a dissolution, as far as I have been around in government, and I think before, you always see a lot of appointments on the eve or week before dissolution which makes that dissolution inevitable. I haven't made such appointments. The appointments I made were either people who came to me and said, "you know, I am getting out of the House of Commons and I am creating a vacancy ---" This is Don Macdonald's example. He decided he was going to create a vacancy, and therefore a by-election was necessary.

On the other side and on my side people came to me and said, "Look, this job is open now. I am a candidate for it. Whether it were a judgeship or a commission appointment - if I could have said, Look, I am not naming any members of parliament to anything." Another example is that of Bob McCleave from Nova Scotia. There was a judgeship open in Nova Scotia which was offered to him. It was part of something I had said to him after the last election when, because of the alternation between French and English, and because we had obtained a majority, Bob McCleave, who has served well in the Deputy Speakership, remained on the opposition bench. He did not make cabinet because the Tories were not elected. I told him and he told his leader then that he would be going to the bench sometime before a general election, and he went, and that created a vacancy.

Q: With respect, my question was, do you plan any changes in or additions to your circle of political advisors?

A: My answer was an attempt to show you that I had not received advice from my political advisors that an election was certain and that I should plan for it. I think I gave you evidence of that in my conduct. So, I do not see why I should want to change them. They have not given me bad advice. They have guided me as best they could, and I hope they would continue to do so.

Q: Only half in jest; first of all, do you plan to give Martin Goldfarb the Order of Canada?

A: Half in jest, I do not control the Order of Canada. It is the Governor General. Otherwise, I would recommend you.

Q: You mentioned, sir, public dissatisfaction with some uneasiness in wanting a general election now because of dealing with the economy, national unity and so on and wanting to get that out of the way.

A: I am sorry, I did not say people would have been uneasy if there had been an election. I said I didn't sense that they were clamouring for one.

Q: How much of their lack of enthusiasm do you think for an election is related to wanting the government to resolve these problems, and how much do you think is related to a desire to either have you stay on? In other words, what is your personal culpability, do you think, if any, in the national mood now vis-a-vis these problems that you mention.

A: When you are the head of the government, you get the praise and you get the blame. You are not always guilty of the one and deserving of the other, but that is the way it happens, and I don't see any point in agonizing over it. When things go well, they don't say the Trudeau Government, but when they go badly they say the Trudeau Government. That is part of the game.

Q: What do you see now, sir?

A: Well, we are seeing a lot of the Trudeau government.

Q: Will we see a raft of domestic legislation? What should Canadians watch for in the next couple of months?

A: Apart from me? Well, I have told you some of the priorities. Certainly areas like national unity and the constitution, and certainly the economy. A series of measures which we hope to put before the House of Commons, progress on some which are already there, like the Ombudsman legislation for instance, and so on.

Q: Before a recess?

A: Look, if we are talking about a recess -- I think I dealt with this last week. I really hope we can get out of here this time at the end of June. We have made considerable progress in the past three weeks. We can always add more, but, realistically, except bills which are deliberately put in for first reading so that we can have

views from across the country -- and I guess some Criminal Code bills are of that nature -- we won't overcrowd the Order Paper in the hope that we are going to sit into July. I am very determined, but then I often am, that we will adjourn by the end of June at the latest.

Q: Did you meet with Mr. Turner subsequent to Saturday?

A: No.

Well, just to introduce Mr. Abbott who is, as you know, Minister of State for Small Businesses. Particularly since the February meeting of First Ministers we have been in the provinces and at the Federal Government proceeding with ways to stimulate the economy, create jobs, small businesses is one of the more important areas. It employs about one-third of the workers and I believe the figure is 800,000 small businesses comprise something like 80 percent of business enterprises in Canada and therefore the importance of this sector is not only apparent to the government but to everyone and for this reason and in particular in view of the fact that Parliament is around, as I said, without an immediate election in the offing, we have decided to proceed in Parliament with a certain number of proposals in the area for which Mr. Abbott is responsible and he will speak to you himself and answer questions on the subject.

M. Trudeau: La petite entreprise constitue un domaine très important qui emploie à peu près le tiers des travailleurs. Quelque chose comme 800,000 petites entreprises composent 80 pour cent des entreprises au Canada. Pour cette raison, nous avons cru important, dans le domaine de la stimulation économique, de présenter au Parlement, puisque nous sommes là encore pour au moins un mois et demi, un certain nombre de mesures dans le domaine de la petite entreprise. M. Abbott, le ministre responsable de ce secteur, est avec moi cet après-midi et il sera ici pour répondre à vos questions et pour exposer brièvement la politique qu'il entend présenter au Parlement. M. Abbott...



MR. ABBOTT: I would like to just say that we have had a chance over the past months to study a number of areas for small business and have come forward I think with some proposals that will be extremely helpful based on a good deal of information we have had. Essentially, today, you will have in your material, you will note that we have taken some initiatives through the Minister of National Revenue. Mr. Guay has, to whom I'm grateful, we are going to amend the sales tax regulations to raise the threshold to \$50,000 from \$10,000 beneath which manufacturers will not be required to be licensed or to pay sales tax. This will add some 11,000 small manufacturers to the already existing number or some 20 percent of all the manufacturers who must today respond to the sales tax. In addition to which, under that category, there will be some additional flexibility added to the returns. I don't know how many of you are aware that the legislation calls for a return to be filed monthly even if it is a nil return and we get a good many complaints from manufacturers that even though they don't have to pay any sales tax, they still have to file a monthly return. Well, these procedures will add greater flexibility to that. We have in addition to that a provision whereby the importation of production machinery and equipment for small manufacturers will not require to pay sales tax. This will cost, about \$30 million will be involved in this change. In addition to this, there will be some changes instituted by the Department of Supply and Services. Mr. Goyer has announced that there will be certain changes which have been worked out regarding procurement policy whereby large companies who are bidding on government contracts will be required to submit a plan as to their Canadian sub-contracting intentions and will be required to appoint an officer of the company who will be the person responsible. There will also be provisions made to pay the suppliers more rapidly than is now the case. The Department of Supply and

Services feel its payment procedures are satisfactory but some 90 percent of all the payments are made by the client departments so that the Controller General will be requested to assist in implementing procedures that will assist. We have had a good number of complaints in this area. In the area of the paperwork, we have already instituted, as you are aware, an office of paper burden controller, so-called, and Mr. Howe has proceeded since April to establish his office and is achieving some results already. I could cite one of them which is under the Small Business Loans Act one of the impediments to that has been the applications that have to be made by a customer in addition to applications being made for regular borrowings. We will now be changing that to provide that it will be optional, that the bank can use its own documentation and avoid this duplication. This is an example. Statistics Canada in our discussions with them, the merchandising survey which at present demands on a decennial basis some 400,000 firms, we will reduce this by modification, some 265,000 firms will be removed from having to respond to this survey and by some additional changes there will be a reduction in the quarterly requirements of a good many thousand retailers and they will be able to furnish their responses on a sampling basis. There are a number of other ~~somewhat~~ smaller initiatives which are described through the existing IT & C programs including one that we had announced sometime ago dealing with internship program where some 800 jobs will be created, permanent jobs we hope, by the government paying half the salary while a promising graduate is able to work in a company. And sharing the expense of the first year's salary with the employer, we believe, will encourage this kind of development. Tomorrow I will be tabling in the House of Commons a discussion paper on venture capital. This will review briefly the existing mechanisms and will provide some suggestions for the future which I believe will elicit a good

deal of public discussion from those interested and I hope will provide the basis for legislation if necessary to deal with this very important area. Finally, on Thursday, the Minister of Finance will be able to provide some measures which will complete the package and these will be in his hands and I cannot comment on the substance of these. I feel certain they will add significantly to the total offering. I think that summarizes the package as such and I would be prepared to answer any questions.

Q:                   Monsieur le Premier ministre, je voudrais poser la question à M. Abbott et que vous y répondiez. Le rapport Bryce mentionnait explicitement, parmi ses nombreuses recommandations, que la petite et moyenne entreprises souffrent de carence de financement. Et je voudrais savoir ce que le ministre entend faire avec ses nombreux programmes, son dépoussiérage de législations pour remédier à cette carence fondamentale qui a été mise en lumière par le rapport Bryce, le manque de fonds, le manque de capital de risque. Vous avez parlé tout à l'heure d'un projet de loi. Est-ce que vous pourriez un peu élaborer sur cette question?

MR. ABBOTT: The Bryce Commission has made a number of submissions, suggestions rather. They have suggested the creation of small business investment companies. They suggested that there should be changes made. We will be, I hope, reviewing tomorrow some of these in our discussion paper. They have also, the Bryce Commission suggested some tax proposals which I would not comment on at this time but I think that there is quite a variety of suggestions made by the Commission but none of them are alien to some of the ideas we have been developing.

Q. My question was on the disarmament conference and the NATO meeting to be held in Washington. The neutron bomb is likely to be a subject in both and I was wondering what your personal position is on producing and deploying the neutron weapon?

A. I do expect to be making some comments on the neutron bomb at either one or the other of those meetings and if you could possibly wait until that is done, then you will hear what those comments are. I do agree with you that it is a serious problem both within NATO in the sense that not all countries within NATO agree on whether the weapons should be deployed or not and as a disarmament problem, of course it's extremely important because it represents a technological breakthrough and has great consequences on the proliferation of new types of armaments so I respect the question but it does not seem quite fair to ask me to state now what I will be stating to the United Nations or to the NATO Members.

Q. A follow-up question: it is not directly on the neutron bomb but on another aspect of our involvement in weapons. And, I am thinking here of our own sales of conventional weapons abroad. One of the areas that disarmament experts say is the worst is the conventional arms area where it is growing much more quickly in under developed poor countries than it is



in the developed countries. And, we sell apparently 20 percent of our weapons outside of NATO and the United States. And, I was wondering if we are prepared to halt the sale of these weapons outside?

A. Well, once again, that is certainly an important part of the speech I am going to make on Friday and I do address the question of conventional weapons and what can and might be done about them, both by Canada and by others. Here again I don't want to give you the substance of my intervention but I must put it in context, that the great suppliers of arms are the United States, France, Britain, and a few countries from the other side of the Iron Curtain. Canada in rank comes, I think, somewhere around eight or nine but in size is infinitesimal compared to the others but the question nonetheless has its importance. Is there a moral duty to not sell arms abroad and if one is going to use one's arms oneself, should one merely buy them abroad or should one also produce them and is it more amoral to buy them abroad than to make them yourself? These are interesting questions but once again I hope to address myself to them in a forum later this week.

Q. Mr. Trudeau, since you skipped the press conference last week, I think I can ask two questions. My first is a supplementary to Bob Douglas' question. I see no reason why the Canadian public cannot learn of what the Canadian Government's policy is before you go to New York. Now, Mr. Danson has refused on a number of occasions to answer questions in the House of Commons about the Canadian position towards the neutron bomb. Now, I don't see why we should wait, or have to wait or have to learn first in the United Nations what a Canadian policy is. This is exactly the same kind of situation as when we have to go to the United States Security and Exchange Commission to find out information about Canadian businesses. So, what is your rationale of telling the United Nations before you

tell the Canadian people what your policy is on the neutron bomb?

A. Well, I skipped last week's press conference because there was another one on an important subject. I am making this week's a little earlier so that you can in part catch up with the time you missed last week. You may have a significant point, point of principle: should I go and make announcements abroad before making them in Parliament or in Canada. All I would say is that I have not exaggerated on that score. This will be the first time in ten years that I've been Prime Minister that I am going to speak to the United Nations. And, I must express my own view that in this particular case it is perfectly justifiable for me to make my speech there rather than to make it here to you. And, I am sure a lot of you would appreciate the reasons for that.

Q. This is the first time in some time that you have expressed any interest in the United Nations and spoken there and secondly it is the first time I've heard in a long time that you are planning to speak on disarmament and it appears, and especially now since you don't want to scoop yourself, that there is a certain amount of cynical stage managing with regard to your speech in New York that in fact you are doing this to try to get both national and international attention to the detriment of the Canadian public who would like to find out what your policy is.

A. It seems to me that is a variation of the first question. I have had many occasions to speak to the United Nations and I have never used them. If I were looking for publicity abroad, I take it I would have made the speech at some other occasion, one of the ten General Assemblies in the past ten years. It so happens that I feel that on this particular occasion I do have something to say and I want to say it there and not here to you.

Q. Mr. Prime Minister, I would like to ask you about the incident or incidents in Toronto this past weekend at Exhibition Stadium where a bilingual rendition of O Canada on two occasions was booed quite heartily by a majority of the fans present. As a man with some experience of booers at Exhibition Stadium, what is your reaction to that, and I would like to also ask you to comment on Mr. Levesque's comment that the booing was in some ways an indication of the failure of the Official Languages Act.

A. Well, Mr. Levesque's comments perhaps can be easily dismissed in the sense that the Official Languages Act has nothing to do with the language used at a private occasion, at a public occasion but by the private sector and notably the baseball clubs. As you know, the Official Languages Act essentially says that the Federal Government shall deal with its citizens in one or the other of the official languages according to their choice. And, I cannot see how it is an indication of failure of the Act. If Mr. Levesque means that we have not yet been able to convince the majority, if you say it's a majority of people attending the game, I didn't know the figures were so high, but we have not been able to convince a lot of people who are baseball fans in Toronto that French is after all one of the two official languages of this country. It is a language spoken by roughly 30 percent of the population. I think that is a sad commentary but there is nothing more I can do about it than to help people realize as apparently the organizers of the games are doing that they will continue singing in both languages as they sing in both languages in Montreal and let people slowly attune their ears to the reality that there are two languages in Canada and two main linguistic groups and this is a political and social reality that is not perceived well in every part of the country. It is more surprising that it is not perceived in Toronto but it is not surprising in our

country where so many people are just beginning to realize now the importance of the French speaking element in this country and hopefully this kind of incident will further the education and cause a correction of that kind of booing. Something like this happened a couple of years ago, didn't it, at a hockey game in Toronto and as a result of it, the educational process about the basic linguistic realities of this country was furthered and maybe this will have that result.

Q. The argument could also be made that the fact that this did happen a couple of years ago in Toronto and continues to happen is an argument that there has not been any progress. I wonder how you view this weekend's events, say, in light of the on-going national unity struggle in the country. Do you think it was an action in support of the federalist cause or one that the P.Q. could use to its advantage in the referendum fight in Quebec?

A. Well, of course, the P.Q. will use whatever arguments it can to prove to French speaking Quebecers that they are not welcome and that their existence as an important element, a constituent element of this country is not recognized in other parts of the country. That is what that whole separatist thesis is about that we are at home in Quebec, therefore let's separate the country and be fully French and the rest of Canada can be fully English. The thesis of those who don't believe in separatism is that you cannot say Quebec is fully French because there is a substantial minority of English speaking people in Quebec and you cannot say that the rest of Canada is fully English because there is a substantial minority of French speaking Canadians in the rest of the provinces and from the very outset this has been our thesis that if you just have a region where French is spoken and another one where English alone is spoken then



you end up with two Canadas and that is the whole separatist thesis and that is why our linguistic policy, the Official Languages Act, that all our policy and indeed the action of the Premiers at St. Andrews and since has been to counter that approach to Canada of two territories, one French and one English. We say no. Canada is a heterogeneous country and there is some French in all parts of it and some English in Quebec.

Q. Mr. Prime Minister, the Conservative Party in its document "The Constitution on National Unity" several weeks ago proposed the creation of a House of the provinces wherein the members would be delegates of the provincial governments and this House of the Provinces would have the power to pass judgment upon, in the sense of approving, appointments to the Supreme Court, regulatory agencies, and Crown Corporations. This same idea was endorsed by the Ontario Advisory Committee on the Constitution which reported several weeks ago to Premier Davis and his government. What is your view of a second chamber which the provinces would have the right to appoint members and secondly, a body with members from the provinces, delegates from the provinces, passing judgment on Supreme Court appointments, on appointments to regulatory agencies, and to government corporations?

A. Well, if you refer to policy paper, a white paper that was published by our government in 1969, over my signature, you will see that we expressed several ideas along these lines, provincial participation in naming members to the Second House and a certain rule for that Second House, Upper Chamber, in approving certain types of nominations so apparently some ten years later the Tories of Ontario and nationally have read this literature and I am very happy for it. It does prove that we are moving towards a certain bipartisan approach to the constitution and I am happy.

We will be making proposals in the weeks to come, as I have said many times, certainly before the end of this session, as I have said many times on constitutional renewal in particular but on the problem of national unity in general and we will express some views on the Second Chamber.

Q. It's fascinating that the 1969 document does not propose what the provinces are suggesting. The provinces are to appoint members directly and that those delegates of the provincial governments <sup>remain</sup> for as long as those governments stay in power. It was that idea which was the germ of the senior boards to which I made reference that I was asking you about.

A. Well, that is a modification of the idea of having a Second Chamber which more directly represents regional or provincial interests. It is this idea that you quote is directly copied from the constitution of the Federal Republic of Germany and it has a great deal of merit. We hope to come forth with a proposal of our own which embodies some aspects of upper chambers in other countries, in other federal systems and we will make known to you very soon now what those proposals are.

Q. Well sir, as a supplementary, this is getting very intriguing. During the last week, both you and Mr. Chretien referred quite lovingly to a Canadian Common Market. Would you expand for us now please on your views of a Canadian Common Market and how it would work in your federal system?

A. Well, the Canadian Common Market has been at work since 1867. Here again I refer you to publications we put forward in 1969 explaining that one of the economic advantages of keeping Canada united and strong was that we had a common market, not a very large one, some 22 million people, but at least it was large enough that it made it important not to break it down into smaller bits. And the Fathers of

Confederation were setting together a country which even though the term I believe was not current then, was proposing to the then British colonies the advantages of having a common market amongst other things within the federation. And the tax regime and particularly the fact that the central government had jurisdiction over interprovincial trade and the tax regime which prevented provinces from discriminating against produces of other provinces were they in reality the establishment of a common market and the term was freely used in some of our publications ten years ago. It would be a mistake, of course, to think that because we used the term we are trying to reduce Canada to nothing more than a common market but in a discussion as was the case when Mr. Chretien and I used the term, in a discussion of the advantages of producers, manufacturers in various parts of Canada of having access to the whole of the Canadian market we did use this term to indicate that even the separatists who claim that they are looking for a form of independence plus an association which will be something along the lines of the common market that we thought it useful to use their own words and their own concepts to show that in their managing of their tax regime they are destroying even the concept of the common market which is basic to their idea. But neither Chretien nor myself nor the government who had put the papers together some ten years ago indicated that Canada was only a common market and certainly the context should make you understand that in our view Canada is much more than that. It is much more than an economic unit. It has many other facets and advantages but it is also that. If it is not also that, if the provinces can adopt taxation regimes which tend to discriminate against neighbouring provinces, then it is not even a common market and indeed we will have gone a long way towards dissolution of Canadian unity.

Q: Justement en parlant de la taxe de vente et des problèmes qu'il y a, on a vu qu'il n'y avait pas seulement que des accords dans cela. Il y a eu les provinces de l'Ouest qui ont plus ou moins flanché. Est-ce que vous avez l'intention de rencontrer avant la conférence des Premiers ministres en septembre prochain ou en novembre prochain, tout dépendant du sujet, d'appeler les Premiers ministres, soit à Ottawa ou les rencontrer ailleurs pour discuter notamment de cela ou d'autres sujets possibles?

R: Je ne sais pas pourquoi vous dites que les provinces de l'Ouest ont également flanché. Les provinces de l'Ouest se sont mises d'accord; certaines de ces provinces ont même changé le soir de leur budget pour marcher parallèlement avec M. Chrétien. Bien sûr, après coup, il y a des Premiers ministres de l'Ouest qui ont dit qu'elles n'avaient pas été assez consultées ces provinces-là. Mais la vérité, c'est qu'il y a eu trois semaines de consultation et que les ministres des Finances ont fait rapport à leur Conseil des ministres provinciaux et cela a été amplement discuté dans l'Ouest comme à l'Est. La seule province, encore une fois, où il n'y a pas eu de réponse, c'est la province de Québec. Vous me demandez si j'ai l'intention de rencontrer les représentants de la province de Québec. M. Chrétien l'a rappelé aujourd'hui en Chambre qu'il a téléphoné à M. Parizeau la semaine dernière lorsqu'il déposait son projet de loi et suggérant que nous discussions plus avant de manière de s'entendre. M. Parizeau n'a pas accepté sa proposition.

Q: Ma question était plus globale. Il s'agissait de tous les Premiers ministres, avant la conférence constitutionnelle de septembre prochain; est-ce que vous



avez l'intention de les appeler avant ou ailleurs?

R: Je n'ai pas de proposition concrète à cet effet. Nous avons projeté d'avoir une conférence sur les questions économiques vers le mois de novembre prochain. C'est encore notre propos. Mais il est presque certain que M. Chrétien rencontrera ses vis-à-vis provinciaux d'ici deux mois et si à cette rencontre, il s'avère nécessaire d'avoir une rencontre des Premiers ministres, eh bien nous en aurons une.

Mais, à moins que quelque chose n'arrive à cette conférence des ministres des Finances appelant une conférence des Premiers ministres, les plans restent les mêmes, c'est-à-dire d'avoir une conférence au mois de novembre.

Q: Monsieur le Premier ministre, après la rencontre de St-Andrews, vous aviez proposé une formule par laquelle chaque province pourrait adhérer à une idée proposée par le Fédéral, la formule du "opting in", dans sa formulation anglaise. Nous avons présentement devant le Parlement un projet de loi sur les procès dans la langue maternelle de l'accusé et les Conservateurs, semble-t-il, voudraient que le Gouvernement accepte un amendement proposant le "opting in". Je voudrais savoir pourquoi le Gouvernement libéral trouve, à la différence des Conservateurs, <sup>que/</sup> la formule du "opting in" qui était bonne pour l'éducation n'est pas bonne pour les affaires judiciaires?

R: Eh bien, pour une raison très simple: c'est que l'éducation relève des provinces alors que le code pénal relève du Gouvernement fédéral. Et lorsqu'il s'agit de juridiction provinciale, je leur ai proposé, au mois de septembre dernier, une formule qui leur permettrait d'accéder, province par province,

à des droits linguistiques garantis aux minorités de chaque province. Mais je ne pouvais pas le leur imposer. Tandis que dans le domaine du code pénal, il suffit que nous adoptions une loi pour que cette loi s'applique sans "opting in", sans mesure décisive des provinces, simplement parce que nous pensons que dans le domaine de l'administration de la justice, y compris la justice criminelle, il est important d'avoir la collaboration des provinces. Nous avons proposé une mesure de consultation avant de proclamer la loi dans chacune des provinces.

Q:               Monsieur le Premier ministre, pour une question de philosophie politique, ne pensez-vous pas que le "opting in" devrait exister dans les deux sens?

R:               Dans les deux sens....

Q:               Seulement, est-ce que vous nous dites alors que la formule de "opting in" ne peut exister que lorsque le Fédéral a une bonne idée que les provinces veulent bien adhérer mais que le contraire ne peut pas exister, c'est-à-dire que dans une juridiction fédérale vous pourriez concevoir que les provinces décident une à une d'adhérer à une idée que vous avez proposée, même si vous pouvez leur imposer?

R:               Prenez un sujet contentieux: l'abolition de la peine capitale. Le Gouvernement peut faire une loi dans ce domaine-là. Cela relève d'une loi pénale. Est-ce que vous proposez qu'on aurait dit: Mais cette abolition-là ne s'appliquera que dans les provinces qui acceptent cette mesure? A moins que j'aie mal saisi votre question. Vous me proposez que lorsque nous légiférons en matière fédérale, que nos lois ne s'appliquent jamais aux provinces à moins que les provinces n'acceptent ces lois-là?

Q: Non, je ne propose pas une telle chose, Monsieur le Premier ministre. Je me demande si on va vers une coopération fédérale-provinciale d'une nouvelle forme s'il n'est pas possible de concevoir que lorsque, à la lettre dans la Constitution, il est vrai que le Gouvernement fédéral a une juridiction, s'il n'est pas possible de concevoir que de temps à autre, sur certains sujets, le Fédéral pourrait offrir une formule de "opting in", c'est-à-dire: Je propose ceci, je pourrais vous l'imposer, mais enfin je considère que vous pourriez adhérer une à une. Je veux juste savoir si au niveau politique, cette idée-là vous convient?

R: Oui certainement que c'est une idée possible, une idée qui, historiquement, a été employée dans le passé. Je vous donne l'exemple de mon Gouvernement lorsqu'il a proposé par exemple que les loteries seraient légales. Nous avons proposé qu'il restait à chaque province de décider si elle voulait se servir de cette légalité pour tenir des loteries. Alors l'idée ne me répugne pas. Il s'agit de savoir si de temps en temps aussi le Gouvernement fédéral doit prendre ses responsabilités et dire: Dans notre pays, il semble de justice fondamentale que les provinces soient incitées à permettre à tout citoyen <sup>d'avoir/</sup> /son procès en droit criminel dans l'une ou l'autre des langues officielles. Et nous avons pris une position là-dessus. Bien sûr les "Tories" trouvent difficile d'accepter cette position-là. Mais nous voulons prendre du leadership et dire que dans une matière de justice aussi fondamentale, que nous allons consulter les provinces, que nous allons entendre leurs représentations, que nous allons examiner le résultat, que nous allons supplier leur collaboration, mais qu'en fin de compte quelqu'un doit prendre sa responsabilité. C'est comme

si vous me demandiez si la loi des langues officielles si on devrait faire en sorte qu'elle s'applique dans toutes les provinces où le Gouvernement fédéral a des bureaux ou des fonctionnaires. Et cela a été la même chose à ce moment-là. Il y a eu énormément de consultations. M. Turner, ministre de la Justice du temps, avait fait le tour de toutes les provinces mais en fin de compte, il faut que quelqu'un décide si le Gouvernement fédéral, dans les zones de sa juridiction, comme le droit pénal, va prendre ses décisions ou est-ce qu'il va prétexter de faux-fuyants et de consultations pour dire: Eh bien, on a juridiction, on a la responsabilité, mais jamais on ne l'exercera pour protéger les minorités, à moins que les provinces donnent leur accord.



Q. Mr. Prime Minister, Mr. Ryan says that you were slightly displeased because he met with Mr. Clark before he met with you on the weekend. He says that in fact it was good that the order in which he met the two of you was that way because he wants to establish that his party is completely independent from yours.

A. Is that a statement or what?

Q. No, I just wondered if you had any comment on that.

A. Well, the only time I have spoken to Mr. Ryan, since his election, was twice actually. Once to say hello at the Forum once and the other time was at a private meeting between himself and myself and I think it is a matter of courtesy that neither of us mention what has gone on, what the other one has said at these meetings. This is a rule I am pretty strict on. I often feel free to say what I said at these private meetings but I never feel free to quote the other person. So, I assume Mr. Ryan exercises the same courtesies and therefore your quote of him is probably erroneous.

Q. He was quoted in the Gazette this morning to that effect.

A. Well, check with Mr. Ryan. I doubt whether he would be so discourteous as to say something that went on at a private meeting.

Q. I have a question in a slightly different area: you were one of the signatories of the Helsinki Agreement a couple of years ago, two and a half years ago, and I was wondering if you could comment, give your reaction to the recent trial of Yuri Orlov from the Soviet Union, of his sentence to seven years hard labour for a crime which I think was principally related to his monitoring of those Agreements.

A. Well, we take a very dim view of that result. In fact, as you know, the government and the Opposition

Parties concurred in a motion protesting to the Soviet Union that a man should be sentenced for, in reality, trying to carry out the spirit of the Helsinki Agreements and this message was transmitted to the Soviet Union but I am glad to reiterate our views here. I repeat once again that the so-called third basket, the idea of the free movement of ideas and of information was very much central to the Canadian input to the Helsinki Agreement. It would be a mistake to think that is all there is to the Agreement. The Soviets are right in reminding us that there are other aspects but certainly the aspect of conveying information freely is pretty basic to a detente between the east and west and we are disappointed that a man should be so severely sentenced for doing nothing else than monitoring the application of the Agreement.

Q. Can you tell us of any progress in your check into Mr. Stevens' allegations?

A. Well, we will talk more about that I take it on the point of order raised in the House and talk more about it tomorrow but it is true that I had heard of the allegation more than a month ago. Mr. Stevens was making it, I don't know how openly, but certainly he was making it in a public place and it had been drawn to my attention at the time and I investigated it, I asked that it be investigated until Mr. Stevens himself was reported to me as having been said Oh well, these are only rumours and I can't say anything more, at which point I asked, I didn't ask but at which point I know the investigation was stopped because Mr. Stevens at that time indicated that he had no proof of his wild allegations and therefore if he would not co-operate in any way or help us in any way to find out if there was any truth to his allegations, and if he himself implied that they were only very general rumours, then there was not much point trying to get further on it but now that he has made them again and this time to the press, I feel that he must be

called to account and either indicate, if he has any proof or if they are just very general unsubstantiated allegations. It seems to me that regardless of what the Speaker decides in terms of the rules of the House, it seems to me that it is very deleterious to the quality of public life if one man in politics can accuse the other of something dishonest and unacceptable and then not be able to substantiate it. Mr. Stevens of course has done this kind of thing before. He has spread the rumour and he has even used it in the House about how the government was preparing some legislation, I think it was on exchange controls at a time when the dollar was faltering and this kind of rumour, if it were true, of course would lead to speculation against the dollar. When challenged by the Minister of Justice and myself to say where this information came from all he could say is that well one executive assistant had told it to another. Now, it is one banker telling another but, you know, I could make, anybody could make the wildest allegations about Mr. Stevens himself and his personal conduct and say, oh, well, somebody said that to somebody else and I am just repeating it. I don't think that is a very responsible way of conducting yourself in public life.

Q. Are you satisfied then that there are no Liberal M.P.'s or no M.P.'s at all involved?

A. Yes.

Q:           Monsieur le Premier ministre, il y a une déclaration qui a un peu surpris de M. Chrétien la semaine dernière à propos de l'abolition du ministère du Revenu au Québec. Est-ce que vous supportez cette position-là que le Québec devrait abolir ce Ministère-là?

R:           Eh bien non, c'était pas une suggestion de M. Chrétien. C'est que la province de Québec, depuis le temps de M. Duplessis en 1954, a décidé qu'elle était une province importante et qu'elle allait avoir un ministère du Revenu. Alors pour avoir un ministère du Revenu et obliger les contribuables à faire deux rapports de l'impôt sur le revenu, et cela se fait encore une fois depuis vingt-quatre ans, elle a bâti un ministère du Revenu provincial considérable et cela coûte beaucoup d'argent aux contribuables. Nous ne nous sommes jamais querellé avec cette position. Si une province est assez grande pour avoir des impôts, elle peut être assez grande pour les percevoir elle-même. Ce que M. Chrétien dit, c'est qu'il trouvait étrange que la province qui depuis 1954 perçoit ses propres impôts, tout à coup M. Parizeau refuse de les percevoir maintenant sous prétexte que cela va lui coûter de l'argent. Eh bien, cela coûte de l'argent depuis 1954 au Gouvernement <sup>aux/</sup> québécois et divers gouvernements québécois qui se sont succédés depuis lors pour percevoir des impôts. Cela fait des milliers de fonctionnaires, des comptables et des officiers de l'impôt qui travaillent et qui ont des salaires. Bien sûr que cela coûte de l'argent pour percevoir ces impôts. Mais la province de Québec a choisi cette voie depuis 1954 et M. Chrétien trouvait assez étrange, et moi aussi, que tout à coup M. Parizeau dise: Ah bien pour cette fois, percevez donc les impôts pour nous. Il ne s'agit pas de leur dire d'abolir leur ministère du Revenu. Il s'agit de leur dire



de ne pas venir se plaindre à nous que cela leur coûte de l'argent pour percevoir les impôts. Ils le font depuis 1954.

Q:                   A propos de la taxe de vente, M. Trudeau, on sait plus trop qui va faire les premiers pas, parce que tous les deux disent: on est prêt, on attend la proposition de l'autre. Vous avez dit la semaine dernière que vous étiez désireux de rencontrer quelqu'un au Gouvernement du Québec, et je pense nommément au Premier ministre, Est-ce que vous avez l'intention de faire un geste de ce côté-là ou est-ce que vous attendez un geste du Premier ministre. A quoi est-ce qu'on peut s'attendre dans les prochains jours?

R:                   On attend un mot du ministre responsable pour savoir si la question peut se discuter utilement de part et d'autre. Encore une fois, ce qu'on reproche à M. Parizeau depuis maintenant un mois et quelque , c'est qu'on lui fait des propositions et il se tient dans un mutisme magnifique: Je vous donnerai ma réponse plus tard. Et c'est très difficile de négocier dans ces circonstances. Certainement que je ne pense pas que M. Lévesque ou moi désirions l'un ou l'autre nous rencontrer à moins qu'il y ait quelque chose à discuter. Alors, ce serait à M. Parizeau et à M. Chrétien ou à leurs fonctionnaires de voir s'il y a quelque chose à discuter. Si M. Parizeau, pour employer son expression, se contente "de regarder passer les gros chars", les gros chars vont passer, puis il n'y aura pas de rencontre.

Q: Il n'est pas question que vous preniez le dossier en main; il ne faut pas s'attendre à cela. C'est ce que vous nous dites? Il n'est pas question que vous preniez vous-même le dossier en main en ce moment?

R: Eh bien je répète: Il serait question que je le prenne en main si je pensais qu'on pouvait parler à quelqu'un de ce dossier. Mais à partir du moment où ils ne sont pas intéressés d'en discuter, j'ai d'autres choses à faire avec mes mains.

Q. Mr. Prime Minister, Mr. Chretien and you yourself too, if I'm not mistaken have suggested that people who attack the federal position on the sales tax issue are playing into the hands of Quebec separatists. That being so, how do you react to the fact that Mr. Ryan has repeatedly attacked the federal position and has supported the resolution attacking it in the National Assembly, and does this leave any questions in your mind about Mr. Ryan's efficacy as a defender of federalism within Quebec?

A. Mr. Ryan and the provincial parties whether they be in Quebec or in other parties, are appointed and elected in order to stick up for the provincial point of view. This never astonishes me when I see that in a disagreement with the Federal Government some provincial government takes a position, it is very, very rare that you will find its opposition agreeing with the Federal Government. They stand for the provincial point of view and it is quite clear that Mr. Parizeau's gesture, and it is not only clear in his gesture but I say it is clear in their propaganda that they brought in a tax measure which they intended to benefit essentially Quebecers. Now, I am not surprised that Mr. Ryan says well, I will support a measure which benefits essentially Quebecers. But, I am surprised when our opposition parties who are people who don't have to speak uniquely for a provincial point of view, cannot see the federal aim which was one of trying to bring in an economic measure which was good for the whole economy and to bring it in in a way which would benefit the whole economy.

Q. Sir, if I may, the federal position at least as explained by Mr. Chretien goes somewhat beyond that and it suggests, I think, in no uncertain terms that on this particular issue to take the Quebec Government's point of view is to help separatism against federalism. That being so, can

one be helping separatism if one says it in Ottawa but not helping separatism if one says it within Quebec?

A. No. If you are helping separatism in one way then you are helping it in another way, that is certain. But, I don't know if you are quoting Mr. Chretien exactly but I do know that I have said in this room and in the House of Commons that the systematic support of the separatist thesis whether it be on the indirect sales tax or whether it be on the Keable Commission versus the McDonald Commission, and I could give several other examples, that systematic supporting of the separatist position in order to make yards against the Federal Government, I said that that to me is very bad, not only bad tactics but I think it is bad politics and it is aiding separatism in order spite the Federal Government. If Mr. Chretien said something like that he has my support.

Q. Mr. Prime Minister, right or wrong, Sinclair Stevens appears to have prodded the government into introducing conflict of interest legislation that has been delayed for many years. Why did we have to wait so long for this kind of legislation in this country and don't you think it would be a useful instrument to clear the air when we have charges of the kind that Mr. Stevens has raised?

A. Well, yes and no. I have explained before that the guidelines affecting the conduct of Ministers have been published some two or three years ago, that every Minister indeed is bound by them but he has to put his affairs in trust or in some other form to indicate that he can't possibly be in a position of conflict of interest. Therefore, insofar as the government is concerned, introducing the legislation has no effect. The legislation affects Members of Parliament, Commons and Senators and it is true that the government took an initiative some years ago to make proposals. It is true that they have been commented on by the House of Commons and by the Senate and it is also true that we have a piece of legislation



ready. But, Members of Parliament themselves, you know, they have to find time to debate this legislation and it is like so many other pieces of legislation, whether it be the marijuana legislation asked about some weeks ago, or O Canada which we have not been able to pass as a National Anthem for several years, we have not been able to put all our legislation through. Would it be advantageous to move this legislation now knowing that it will probably again die on the order paper on the 30th of June, possibly, and that is why the House Leader said today he is ready to introduce it but I doubt that it will make much progress. It will be discussed and it will be dying on the order paper and will have little effect beyond the policy paper that we put forward several years ago. And as it regards Ministers and the government, they are presently bound, Without the legislation. They are bound by the guidelines which I tabled some years ago.

Q. Mr. Prime Minister, several people in your Party feel genuinely sorry, I think, about the box/<sup>they feel/</sup>you got yourself into or you were put into by your election advisers in effect gearing up an election that you had to call off although it had not been called. I am wondering if you have learned any lessons from that and in the next campaign, whenever it is, do you plan to keep the same team in place, especially in Ontario and if not what plans do you have?

A. Well, I haven't been planning for the next election and I guess that since I said there would be no early election, I have not really turned my mind to when it would be and who would advise me on it so I don't contemplate turning my mind to it and therefore I don't contemplate changing my team. Maybe when the time draws nearer, as I say sometime around next April, we can discuss that again.

Q. Were there any lessons that you felt that

came out of this experience?

A. Well, none that I didn't know before,  
that you generally fight an election to win it.

TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE,  
LE 31 MAI 1978, WASHINGTON, 4h45

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TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE, MAY 31,  
1978 WASHINGTON, 4:45 p.m.

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Q:           Mr. Prime Minister, there seems to be a fairly widespread impression--some of it appearing in the local Press this morning and, also, in the British Press this past weekend--that what you had to say at this conference here, and the speech which you made at the UN late last week--somehow indicates that, while you support the NATO armament objectives contained in today's communique, you do so somewhat less enthusiastically than some of the other leaders here. Is that an assessment you can accept?

A:           I cannot speak for the enthusiasm of others but I am very happy with the communique, as it finally comes out, which emphasizes that the name of the whole game is "greater security" for members of the Western Alliance. And, in my view, that can be obtained in two ways: Either by having both sides increase their arms, ad infinitum, to make sure that they are always balancing their security against the forces of the other; or to achieve it in the opposite direction, and achieve security by a lower level of armament on both sides. This is what I said in New York; and these are the points I repeated here. It is important for the peoples of our democratic society to maintain their faith in the Alliance and in the credibility of its leaders and, when the whole world is meeting in New York to discuss disarmament, that we should not appear to be meeting in Washington to discuss only armament; which we are not, we are discussing greater security. I think it is important to emphasize that, as far as our side is concerned, we don't

need great armies and great defence forces and megatons of weapons in order to extend our empires, or to crush internal dissent. The only reason why we have all of these arms is because the other side has a lot of arms and, insofar as we can get them to reduce their level of armament, either through SALT, the Strategic Arms Limitation Talks, or the MBFR--The Mutual and balanced Force Reduction--discussions in Vienna. That is the name of the game, and to the extent that I contributed to putting emphasis on that side of it, I believe I am very strongly supported by not only Canadian public opinion but, certainly, I would hope, by most of the people in our democracies. We are not arming for arms sake. We are just arming because the other side is arming.

Q: I wonder if I could follow that up. I was taken by a comment that you made in the photo session prior to your meeting with Mr. Karamanlis yesterday, in which your speech at the UN was discussed. What you said was that you thought a theoretical case for disarmament had to be made. Do you see that as your role here--a kind of "dove amongst hawks" for example?

A: "Theoretical case" for disarmament, I suppose, in sense, that is what my previous answer was about. Well, I hope it is also a practical case. And certainly in our discussions yesterday and today, and in the communique, we indicate certain practical steps which have been taken, and which should be taken in Vienna and in SALT. I don't know what you mean by a "dove amongst hawks". The communique is adopted unanimously: by all members of the Alliance. I suppose, if you look at certain paragraphs, we all look like "hawks", and in others, we all look like "doves". Put them in a boiling pot, and I don't know what comes out there, some stew.



Q: Une première question d'abord, d'intérêt assez général. J'aimerais connaître votre degré de satisfaction sur toute l'évolution de l'OTAN à la suite de ces deux jours de sommet, votre degré de satisfaction sur les tendances, les orientations qu'elle veut se donner; et si vous voulez être plus explicite, un exemple ou deux peut-être de ce qui vous satisfait.

R: En bien quant à moi, je suis très heureux des résultats de la conférence, tels que ces résultats sont indiqués dans le communiqué final, et ce communiqué reflète effectivement deux volets de notre pensée: le premier est que les pays du pacte de Varsovie ont des armements considérables. Ils sont engagés dans un processus d'intensification de ces armements. Alors pour autant nous avons adopté un programme correspondant pour rendre notre armement plus efficace, pas tellement plus coûteux, mais plus efficace et mieux disposé. L'autre volet de notre pensée, c'est que nous avons des armes pas pour étendre nos empires, ça pour éradiquer les dissensions internes. Si nous avons des armements considérables nucléaires et conventionnelles, c'est en cause du pacte de Varsovie et alors la pensée qui est exprimée dans le communiqué, et sur laquelle je suis souvent revenu, c'est qu'il faut que nous poursuivions ce deuxième volet également et d'assurer à la population démocratique que nous sommes ici pas seulement pour nous engager éperdument et aveuglément dans une course aux armements, mais nous sommes ici en même temps pour dire aux Soviétiques, aux gens du pacte de Varsovie que, autant nous sommes prêts à équilibrer nos forces de défense correspondant à leurs forces à eux, nous pensons que cet équilibre peut s'atteindre par le désarmement autant que par le surarmement. Et nous avons indiqué, nous avons répété notre désir de voir les échanges entre les membres du pacte de Varsovie et du pacte

Atlantique, ces échanges-là s'exprimer dans le sens du désarmement autant que possible.

Q: Une deuxième question, si vous permettez. A la fin de votre discours hier, vous avez dit, je pense que je vous cite exactement "il est essentiel d'en arriver à une coopération plus vaste, plus complète dans la production des équipements militaires" mais vous n'avez pas parlé d'un engagement de principe, à tout le moins, sur cette fameuse question, sur cet objectif de 3 pour cent que l'OTAN demande à ses pays membres, concernant sa participation à l'équipement. Est-ce qu'on doit lier les deux; vous mettez cela comme condition, je ne parle pas des deux ou trois prochaines années, mais à plus long terme, est-ce qu'on doit lier les deux, l'un étant la condition de l'autre?

R: En bien non, hier je ne parlais pas à cet item de l'ordre du jour. C'est aujourd'hui que nous avons parlé du programme de défense à longue période. Et aujourd'hui, comme vous le verrez dans le communiqué, il y a unanimité de tous les pays pour appuyer ce programme. Bien sûr que le Canada était d'accord. Et j'y ai fait allusion dans mes remarques d'hier. Alors, il ne faut pas voir de mon texte hier le fait que je n'aie pas parlé de tous les items à l'ordre du jour, nous sommes d'accord sur cette projection à long terme. Et je le répète, nous espérons que dans un échange dynamique entre les deux groupes ennemis, que nous réussissions à faire des progrès dans le domaine du désarmement, qui nous permettront peut-être de dépenser moins dans les années 80, que nous sommes obligés de le prévoir maintenant, parce que nous n'avons pas fait l'entente sur le désarmement.

Q: Yes, Mr. Prime Minister. I was wondering if you could clear up the problem of Canada's invitation to Paris.

The French embassy and, also, the Elysée, in Paris, are saying that Canada is on the guest list next week for this meeting on Africa. Can you say whether we are invited--whether we received the invitation? Secondly, are we interested in going?

A: Yes, I can answer that quite definitely. We have just received a cable from Paris explaining that there had been a mistake at the other end. Apparently, arrangements had been made here in a meeting between Mr. Giscard D'Estaing and Mr. Carter relative to this meeting and, by the time it reached the other side, they were inviting countries which, in fact were not on President Carter's and president Giscard d'Estaing's list. I don't know how our name got involved, but we are not invited, and we are not going. And we probably would not go even if we were invited. You can strike out that part of my answer. I don't want to get myself involved into any African adventures, and I don't think the Canadian Parliament would want us to.

Q: Mr. Prime Minister, I have a bit of an African adventure for you here--a three-part question on Africa. What do you feel should be the response at this time, if any, by the USA and by the other western countries, to Soviet and Cuban activities in Africa? That is part 1. Part 2: what, specifically, should be Canada's response, if any; and part 3: have you, in these talks, agreed that Canada will participate or act in any given way, by way of response?

A: Well, on your first question, I have answered that many times, publicly and privately. But certainly I made it quite clear to Premier Castro, himself, that the Canadian government disapproved--in every way--his African adventure; and I stated that at the time publicly, and before and since,

many times. To the extent that the Soviets are involved, in a less direct way than the Cubans, I think that is a mistake, too. I believe that the external powers should keep out of Africa; and that the Africans should attempt to solve their problems for themselves. And I predict that those who attempt to solve them for them will get no thanks from the Africans, in the long run--whether they be Cubans, or anyone else. I must say that, insofar as what the French and the Belgians did in Shaba: I don't consider that as an "African adventure". They went there in a humanitarian operation to rescue a certain number of people, and though the Canadian government, I believe, has not had to take a position on that, I would state quite unequivocally that they had no alternative but to go and save people who were being massacred. This being said, what happens in the long run is probably something which will be discussed in many places--including at the Paris conference. And, I repeat, we have not been invited to attend.

Q:           A supplementary if I may. There is some disagreement, I gather--even within the US administration as to the desirability of some of the kind of statements that have come out of the administration in the last few days. I would like to ask you whether you feel in terms of the overall situation involving detente, disarmament, and so forth, that the kind of perhaps unusually sharp criticisms of the Soviet Union that have been made by president Carter and by Mr. Brzezinski are, on balance, helpful: or, on balance, a form of expression that is better avoided?

A:           I am not aware of any divergent statements by members of the US administration on that; and I honestly don't know what precise things were said by President Carter, or by Mr. Brzezinski. I do stand by the language of the



communique that we inserted at the end of the NATO conference, which is to say that while we disapprove any destabilizing actions by the USSR, or by the Warsaw Pact countries, we say it would be a mistake to see the African events -- to read the African events -- only and essentially as expressions of an East-West conflict. You know, the causes of the disturbances in Shaba are probably to a much greater extent "tribal" in nature, than they have to do with soviet or capitalistic ideologies.

Q: Mr. Prime Minister, yesterday the Minister of External Affairs, in giving his resume of what happened during your interventions yesterday morning, said, in effect, that you had suggested that Mutual Balance Force Reduction talks in Vienna might be the appropriate forum for some bold new initiatives, or new proposals on disarmament to at least test, once again, the bona fides of the Soviet Union as to their intentions or genuineness in this regard. I am wondering what the reception was in that regard; and what "bold new proposals" you had in mind.

A: Well, I dare say that the reception must have been reasonably good, because several parts to the communique were added or modified to reflect this point of view -- the one that I expressed in that first question this afternoon. As far as "bold new proposals": let me just point out that some were made just a few weeks ago, and that I think they are a sufficient departure from previous positions that they can be considered "new". And I really think it would be up to the soviet side to respond to these proposals. But, in terms of the mechanics, the proposal was put forward, I think originally, by the British Foreign Minister -- rather, by the British Prime Minister, Mr. Callaghan -- to the effect that we should ask our foreign ministers -- the Foreign Ministers of NATO -- to go to Vienna and to indicate that there was a great political will to get the five frustrating years of

negotiations in Vienna off dead centre, and to indicate movement. And I supported that. And as a matter of fact, I think that -- at least in that respect -- the communique is probably a little bit too cautious in saying that: "All right, the foreign ministers should go, but they should not go until the other side has indicated some response", and so on. Hopefully, the other side will show some response -- but I would not discount -- and I said this at the meeting yesterday -- the possibility of the heads of governments on our side telling our foreign ministers at some point, "Well, go there and if necessary come forth -- even with some modified proposals -- and show the Soviets for what they are: either that they are sincere in saying that they want disarmament, or that they are not sincere and that -- when they are faced with a bold approach towards disarmament -- they stand back and say, well, we need some time" or "we are not ready". I don't think we can lose in this regard, because if the Soviets are not prepared to answer -- to respond positively to a bold approach -- we will know that they are really not sincere when they talk about detente, and so on. And, if they are prepared to respond positively, then I think we have gained a lot in the direction I was mentioning earlier, towards disarmament and towards greater security for both sides but, rather than security through increased arms, security through reduced armaments. The words describing the conference are the correct ones: "Mutual and Balanced Force Reduction". We are not suggesting that there be any unilateral disarmament. We are saying we should make some bold proposals for reducing arms on our side: to see if the other side will accept them and, obviously, respond to them in such a way that we will equal forces and equal security but at a much lower level of armament.

Q: Selon le compte-rendu du ministre Jamieson hier, vous avez parlé d'initiatives audacieuses à prendre à Vienne. Est-ce qu'il vous serait possible, dans une première question de me dire quel serait le contenu de ces initiatives

audacieuses; est-ce qu'on parle de désarmement unilatéralement, par exemple. En second lieu, quand ces initiatives-là seront-elles proposées? Et enfin, est-ce que vous n'êtes pas l'un des seuls au sein de l'Alliance à être aussi optimiste vis-à-vis de la politique extérieure de l'Union soviétique au cours des dix prochaines années.

R: En bien, pour ce qui est du contenu de ces propositions, je répète, nous venons de faire, il y a peine quelques semaines des propositions nouvelles qui vont dans le sens où je le préconise. Plutôt que nous attarder indéfiniment autour d'exigences, de l'autre côté que nous ne pouvons pas rencontré et vice versa, nous avons fait des propositions fort nouvelles, allant en grande partie dans le sens de la satisfaction des objections soviétiques. Pour ce qui est de la forme, je le répète, je pense que le communiqué est peut-être un peu trop prudent en indiquant que la suggestion qui a été faite par plusieurs, y compris moi-même, que nos ministres des Affaires étrangères aillent à Vienne négocier la prochaine étape, ou conclure la prochaine étape pour indiquer qu'il y a vraiment de notre côté une volonté politique de réussir dans notre entreprise de désarmement. Cela je pense que le communiqué est peut-être un peu trop prudent en disant "oui, ils devront aller là, mais il faut attendre que l'autre côté fasse un certain nombre de démarches, etc..." Je pense que si l'autre côté répond favorablement à nos propositions, tant mieux: on est débloqués. Si l'autre côté ne répond pas favorablement à nos propositions, je pense qu'on devra dire à ce moment-là à nos ministres des Affaires étrangères d'aller là et de faire des propositions, peut-être même allant sensiblement, ou partiellement plus loin que nos propositions actuelles mais pour voir vraiment si l'autre côté est sincère, le pacte de Varsovie, lorsqu'il proclame qu'il veut le désarmement et la paix en Europe. Et ma proposition étant partie d'ordre tactique, il s'agit de savoir si l'autre côté est sérieux.

D'un autre côté , les pays démocratiques, nous n'avons pas besoin des vastes armées et des forces que nous avons pour maintenir la paix à l'intérieur de nos pays, ni pour étendre nos empires. Si nous avons des armements aussi considérables, nucléaires autant que classiques, c'est parce que l'autre côté en a aussi et je propose que nous débloquions les discussions à Vienne sur le désarmement, encore une fois par le mécanisme de nos ministres, mais également par un contenu nouveau, semblable à celui qui a été proposé il y a quelques semaines et à laquelle proposition nous n'avons pas encore eu de réponse. Je pense que vous aviez une troisième partie à votre question.

Q: Je vous demandais si vous n'étiez pas un des seuls à être aussi optimiste vis-à-vis l'avenir de la politique extérieure de l'Union soviétique?

R: Je ne sais pas. Je ne me définirais pas non plus comme optimiste. Mais je sais que les sommes dépensées pour les budgets de la défense dans le monde, comme je le disais à New-York, est de l'ordre de \$400 milliards par année. Sans être optimiste sur la pensée profonde des pays du pacte de Varsovie, il me semble que eux, autant que nous, devraient vouloir une solution qui nous permettrait d'avoir une égale sécurité, mais non pas par le surarmement, mais par une réduction des armements. L'important, c'est que les deux côtés aient des forces à peu près équilibrées. Or, cet équilibre peut s'obtenir soit en augmentant de part et d'autre nos forces, soit en diminuant de part et d'autre nos forces. Et quant à moi, je mise autant sur l'un que sur l'autre et je ne veux pas que la réunion de l'OTAN ici soit interprétée uniquement comme une réunion intéressée à l'armement ou au surarmement. Je veux que ce deuxième volet, celui du désarmement, soit présent dans l'esprit de nos populations et également dans l'esprit des pays du pacte



de Varsovie, qui autrement pourraient bien se servir de cette réunion de l'OIAN comme un instrument de propagande pour insinuer que nous ne sommes pas sincères lorsque nous parlons de désarmement et c'est à cause de ce raisonnement, qui est partagé d'ailleurs, je pense, par tous les membres de l'Alliance, mais certainement que ce raisonnement s'inscrit dans un certain nombre de paragraphes du communiqué et que ce communiqué a été adopté à l'unanimité. Alors il faut croire que je ne suis pas seul, comme vous le dites, à être

... à vouloir jouer la carte  
... que la carte "protection" devant le  
... d'ailleurs.

Monsieur le Premier ministre, pour les besoins de la télévision française, j'aimerais vous poser une question pour ramener à celle qui a été posée en anglais, suite à votre discours de New-York et à votre prise de position lors de votre inauguration de l'OIAN. Le Washington Post avait ce matin que l'attitude canadienne ressemblait à du raisonnement unilatéral sous le parapluie américain et je meurs que vous commentiez cet argument-là.

... bien, c'est que ou bien ils n'ont rien compris ou bien ils sont singulièrement en retard sur les nouvelles parce que ce que j'ai annoncé au fond c'est une politique qui était déjà inscrite dans notre livre blanc sur la défense de 71. Cette idée du parapluie américain qui nous protège, bien sûr que c'est une idée dont je me réclame, mais dont tout le monde se réclame. C'est à cause du parapluie américain qu'on a l'équilibre actuel, qu'on a la paix depuis les années '50. Le parapluie américain, d'une part, et le parapluie soviétique, d'autre part, font qu'il y a une sorte d'équilibre de la terreur; c'est l'essence même de la dissuasion. On sait que l'autre côté est assez fort, assez armé de puissances nucléaires qui peuvent détruire entièrement le camp adverse s'il est provoqué. Alors, que le Canada soit à l'abri de ce parapluie, c'est entendu, mais l'Europe l'est également. Alors je ne sais pas de quoi le

Washington Post se met en peine. Notre politique à nous, c'était que la prolifération nucléaire est dangereuse. Et plus il y a de pays qui ont les armes nucléaires destructives, plus les chances d'une guerre nucléaire provoquée par accident ou par folie sont grandes. Et c'est pour cela que nous avons proposé, avec d'autres pays, le traité de non-prolifération et c'est pour cela qu'il a été signé par plusieurs douzaines de pays dans le monde. Nous ne voulons pas répandre les armements nucléaires. Et si le Canada peut donner l'exemple d'un pays qui dit: "nous n'en aurons pas, nous", il me semble que non seulement nous faisons ce qu'il faut faire, mais je l'espère, nous donnons un exemple qui sera suivi. Alors cette idée de parapluie nucléaire, elle protège beaucoup de monde.

Q: Mr. Prime Minister, my name is Evelyn Davis. I am Editor of High Lights and Low Lights in Washington D.C. Do you believe the costs of NATO are accurately divided between the fifteen countries; and do you expect, in case of further decline in the US dollar, the US congress may ask for partial troop withdrawal because of excessive costs?

A: Well, I really could not predict what the US congress will do but, certainly, the US administration at the past two-days meeting has not indicated that it is going to seek a reduction in its participation in NATO, or in other defence expenditures. As to whether the expenditures are well balanced and well distributed: obviously, they are not. It is quite clear that the Soviet Union on the Warsaw Pact countries, and the USA on the NATO country side are spending much more than the other countries, and probably more than the totality of the other countries.

Q: Now, to clarify: Do you expect a further decline in the dollar--the US dollar?

A: Well, I would not advise you to speculate on it.

Q: I see. I am going to give you an autographed copy of my publication, "High Lights and Low Lights".

A: I would like that. What does it say about the dollar incidently?

Q: It costs \$64.00, but you will get a complimentary copy from me.

A: I see. Well, if the US dollar declines, foreigners will be able to buy it at the cheaper rate. So I suppose you might have a vested interest in the lowering of the american dollar so that you can increase your sales. Thank you very much.

Q: You will find it very interesting reading on the plane.

A: Thank you. Tell me some more about it.

Q: I am interested, and I like to hear your comments.

A: Thank You.

Q: Mr. Prime Minister, this afternoon, the US Defense Department estimated that the cost of this agreement is approximately \$60 to 80 billion in 1977, constant dollars--for all members.

A: Over a period of how many years?

Q: Over a period of 15 years. Given that formula as being a ball park figure, have you calculated what Canada's share will be and can you tell us what kind of strain that may place on the economy, if any?

A: We have calculated that our commitment to roughly 3 percent real growth in our defence expenditures over the next period of time, will permit us to take up our share of those expenditures looked at in a long term defence programme. In other words, I believe all countries committed themselves to something like a 3 percent real growth rate. There is some difficulty in knowing how far forward we can project that. In Canada's case, I believe we've projected it to 1981. Certainly, in other countries--and it was said so around the table this morning,--we accept the document for planning purposes but nobody could pretend to commit his government first--without going back to discuss it with his cabinet or his administration. Second, the point was made that in the democracies, of course, governments change and the commitments themselves can change. I would add to that a third point: that if we are successful--as I hope we will be, and as I think we must be--in disarmament, then these commitments can, and should, be considerably less. These commitments and this figure is based on the assumption of a static power relationship and of an increase--by the Soviets--of their military might. If we can do something--either through the SALT, or the MBFR, to change that, of course, then we will have to spend less and surely that is the object of the exercise of disarmament.

Q: Mr. Prime Minister, agreeing that there are probabilities here, are we talking in terms, though, of



billions of dollars; hundreds of millions of dollars; or tens of millions of dollars? I agree - as the Defense Department stated- that it is very hard to make those projections.

A: Well, if you are asking for Canada, I can just make a rough calculation, just standing here before you. Our defence budget is of the order of \$3 billion a year. If we increase that by 3 percent quickly, somebody tell me how much that is every year? And then add to it the inflation rate in order to get the 3 percent in real terms, and you will find out how much we are committed now--even before coming out of the NATO summit--to spend for our defence forces which, as you know, are committed to NATO or NORAD in one form or another. So that is a commitment which is budgeted for in our five-year defence planning budgets. What happens later on in the eighties, I repeat, will depend in part on what happens politically within our countries and, internationally in disarmament. But the Canadian figure, you can calculate it quite easily. It is around 3 percent on a basis of about \$3 billion now--I guess \$2.9 billion.

Q: Mr. Prime Minister, if I could ask a question about bilateral USA/Canadian affairs. Congress has gone ahead--over Canadian objections-- with a pilot plan to divert more water from lake Michigan, at the risk of draining some of the Canadian power output in the St-Lawrence. At the same time, congress had declined to accede to the Canadian request that it strike the ban on deductions for convention expenses in Canada, because of the linkage with C-58. I would like to ask, first, are you resigned to the diversion projects going ahead? And, secondly, is there any prospect of Canada's modifying C-58 in order to get the conventions back?

A: Well, you are really asking a question on two points. We have been involved in that initiative for the better part of a year now, and we are still optimistic that it is progressing in the right direction. So I am not suggesting that we cannot help in Africa. On the contrary, I think that we can, but our view is that we must help, in peaceful ways, the African majorities--wherever they are--to evolve towards greater independence where that is required as in Zimbabwe, or towards greater economic security as in the case of the many countries where we have assistance and technical aid of a non-military character.

Q: Monsieur Trudeau, vous avez repris cette question je pense au cours de ce sommet, au sujet de ce dialogue trans-atlantique concernant les effectifs de l'OTAN du côté industriel de l'OTAN. Ceci pourrait dire essentiellement que le dialogue trans-atlantique se concerne trop souvent entre les deux blocs principaux, l'Europe et les Etats-Unis. Cela veut-il bien dire, le fait que vous ayiez repris cette question qu'il n'y ait pas eu de progrès notable signalé au cours des dernières années?

A: Notre aide ne reflétait pas tellement le manque de progrès, mais la crainte d'un certain recul. Nous avons craint que la consultation au sein des quinze ne soit progressivement remplacée par une consultation au sein des neuf, qui nous mettrait devant un fait accompli en disant, bien voici ce que l'Europe des neuf pense, maintenant on va en discuter au sein de l'OTAN. J'ai exprimé cette crainte surtout en rapport avec les étapes à franchir à la suite de la conférence de Belgrade et en préparation de la conférence de Madrid. Mais je peux dire que sur ce point, on m'a donné

toutes sortes d'assurances que ce n'était pas l'intention des neuf et le communiqué effectivement nous donne satisfaction en ce qu'il réitère l'intention des membres de l'Alliance de consulter dans tous les domaines qui avaient été définis dans la déclaration d'Ottawa en 1974 comme devant être l'objet de consultations au sein de l'OTAN. Alors dans ce sens-là je suis très content d'avoir exprimé nos inquiétudes et très satisfait des assurances qu'on nous a données. Enfin, comme je l'ai déjà expliqué, notre participation à l'OTAN a mille justifications, mais l'une d'entre elles, c'est de vouloir faire partie d'une communauté et d'une alliance plus large que l'alliance du NORAD où nous sommes seuls vis-à-vis des américains et nous trouvons très avantageux d'avoir ce forum élargi. Singulièrement, le président Carter exprimait un peu les mêmes idées. Enfin je ne vais pas parler pour lui, mais je sens que le président Carter dans les grandes responsabilités qu'il doit exercer comme principal pays de l'Alliance, veut aussi s'assurer que les consultations continueraient.

Q: Mr. Prime Minister, I have three short questions. As you know, the Canadian non-governmental organizations advocate that the Canadian Government should not go ahead with the purchasing of additional fighter aircraft and, secondly, they advocated that the government should not sell uranium to NATO countries, or to any members of the international community.

A: Who advocates this?

Q: The non-governmental organizations in New York.

A: Canadian non-governmental organizations?

Q: The Canadian non-governmental organizations, yes.

A: ...should not go towards the fighter aircraft and should not sell uranium to either Germany, or any other NATO countries; or to any members of the international community.

Q: I want to find out what reply you have for the non-governmental organizations.

A: Well, my answer is really cautioned by the fact that I have not read any recommendation by them, and I don't know the context in which these two were made. But certainly, on the second one--not selling uranium to Europe--I disagree with that completely. It is important to note that we have not for the past ten years sold any uranium which was not for peaceful purposes. So, on that score, I think it is important that we continue this policy--not of trying to sit on our uranium, but of making sure that it is only used for peaceful purposes. I repeat, this has been our policy for ten years. The question of safeguards applies, of course, to the technology and peaceful use of the atom, and so on. So on that resolution, if it is advocated as you say, then I don't find it either wise or acceptable. On the fighter aircraft; there, too, I would like to know, a little bit, what their reasoning is and why they don't want Canada to have fighter aircraft. We have fighter aircraft now, the voodoos. They are becoming obsolete. The question is, by 19-- whatever it is-- 1982 or 1983--do we want to cease our role in NORAD, of our surveying the Canada territory and providing its defence in the case of attack; or do we want to cease it and leave it to be done by the americans; or do we want to protect our own air space?

Q: I just want to clarify what I was saying. More pointedly, the non-governmental organizations are saying that you should have a moratorium on the entire decision for at least two to five years before we go ahead with that.



A: Well the effect would be the same. That would mean that, at some point, the voodoos would be obsolete, and we would not be able to fulfill our duties in NORAD, and the americans would be protecting the Canadian air space. That is an arguable point. But we made our policy well known when we published our white paper on foreign policy and defence. I believe in 1971, when we examined the alternatives of complete pacifism and complete and total disarmament; or non-alliance; or alliance; and we concluded-- I believe with the support of all parties in Parliament-- that we should be aligned in NATO and in NORAD. I don't see any reason to reopen that decision at this time.

TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE, OTTAWA  
LE 8 JUIN 1978 - 16h15

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JUNE 8, 1978 - 4:15 p.m.

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JACQUES RIVARD (Radio-Canada): Monsieur le Premier ministre, dans le livre blanc sur la culture, le Québec revendique des domaines occupés jusqu'à maintenant par le Fédéral en matière de culture et se dit prêt à négocier avec votre gouvernement. Etes-vous prêt à négocier avec le Québec là-dessus? et sinon pourquoi?

R. Vous pourriez peut-être me demander "Si oui, pourquoi?" aussi parce que le Québec m'a toujours dit qu'il ne voulait pas négocier la constitution petit à petit, qu'il voulait la séparation et ensuite on négocierait une association. Alors je n'ai pas lu le livre blanc. Le gouvernement est en train de l'étudier. On aura des choses à dire. Mais c'est vraiment la première nouvelle que j'ai que le gouvernement du Québec est prêt à renégocier avec le Fédéral un nouveau partage des juridictions. Si oui, tant mieux, c'est un progrès.

JACQUES RIVARD: M. Davis, le Premier ministre ontarien, qui a opposé un veto au bilinguisme dans la fonction publique ou enfin dans les services publics en Ontario; est-ce que vous avez des commentaires sur cette décision de M. Davis? Est-ce que cela modifiera les propositions constitutionnelles que vous comptez présenter bientôt?

R: Eh bien je ne pense qu'il soit juste de dire que M. Davis a apporté un veto aux services en français dans la province de l'Ontario. Je pense qu'en toute justice il faut dire que la province de l'Ontario a fait pas mal de progrès depuis 10 ans dans le domaine de l'octroi de services aux francophones de cette province. Pas autant que nous aimerions et pas autant que les francophones ontariens l'aimeraient. Mais sauf erreur, sa position n'est pas de dire que nous n'allons rien faire pour eux mais de dire que ce projet de loi en particulier, nous ne pouvons pas l'appuyer. Ceci dit, je suis un peu désappointé parce que je pense que malgré ces progrès, et malgré les intentions exprimées par M. Davis, je pense qu'il a mal jugé l'effet symbolique de

son refus devant ce projet en particulier qui semblait avoir l'assentiment de tous les partis. Je trouve qu'il a mal jugé l'opinion publique et je suis déçu qu'au moins sur ce plan-là, le plan symbolique, il n'ait pas été plus ouvert au changement favorable aux Franco-Ontariens. Je répète cependant que M. Davis m'a donné certains engagements à la suite de la conférence de St-Andrews relativement à l'enseignement du français, par exemple, en Ontario, il m'a indiqué qu'il était prêt à insérer dans la constitution une garantie à cet effet, et je continue de penser qu'il voudra le faire et les propositions constitutionnelles que j'ai l'intention de faire, effectivement, prendront cet assentiment du Premier ministre Davis pour acquis. On verra sa réponse, mais je ne suis pas désespéré de tout progrès vis-à-vis l'Ontario. Naturellement, je suis un peu déçu de son attitude et mes ministres anglophones de l'Ontario l'ont exprimé à souhait.

KEN LAWRENCE (CHCH Hamilton/CFAC Calgary): Mr. Prime Minister, along the same vein, several Conservative M.P.s I have spoken to are upset that whenever they offer what they consider to be legitimate criticism of the bilingualism program, they are branded as being bigots or liars, as we had in the House this week.

Is there not room in the National Unity Debate for legitimate criticism of bilingualism?

A. Yes, there is, but I do not think you should use what you call legitimate criticism as an excuse to reject the whole program by the back door.

I was just asked about Premier Davis. I do not think it was essential to his position that he criticize the application of our bilingual program. Of course, when in a period of ten years you want to bring in an Official Languages Act which revolutionizes in some sense the whole understanding of the country, and wants to extend to French-speaking Canadians certain rights at the federal level wherever they live in Canada, this is a very dramatic change, and it has caused certain disturbances in the Civil Service, and I understand that they would be upset. But it is too easy for people to say, "Well, we agree with the principle, but we disagree with the way it has been applied." I have heard that ad nauseum. Quite frankly, the people who say it very often are not very committed to bilingualism.

MR. LAWRENCE: On the other side, is it fair for your Ministers to accuse them in a blanket way, as Mr. Lang did, of being liars and having these reports go back to their constituencies, making these reports back to their people without naming any specifics?

A. Insofar as what happened in the house it was settled in the House yesterday. If you are asking me what happens in Saskatchewan and in other provinces, I think



Mr. Lang undertook to give evidence of what he was suggesting -- that our programs on bilingualism and on assistance to Quebec are very often attacked by innuendo and rumour based upon nothing at all, if not falsehoods. You can ask Mr. Lang for proof of that. But I am not surprised that he should say that, because in the house I see the Tories use innuendo and rumour to spread all kinds of falsehoods about the Government. We just had Sinclair Stevens last week using innuendo on dollar speculation. We have had several members use innuendo on what they call scandals, whether it be about the RCMP or bugging, and so on. I think it has been a constant pattern over the past year, and it is obviously a tactic of the Parliamentary Opposition. I don't fall off my chair because of that, but if you asked me whether we have some evidence of it, I am inclined to ask you where have you been for the past year.

CATHERINE BERGMAN (Radio-Canada): I have two unrelated questions. The first one is supplementary to Jean Rivard's question. M. Davis a

dit à plusieurs reprises qu'il est favorable à ce qu'on insère une charte des droits linguistiques dans la constitution. Maintenant l'histoire récente nous a montré qu'il était capable de volte-face. Est-ce que c'est une chose qui vous inquiète au vu des amendements constitutionnels qui seront présentés prochainement et est-ce que vous craignez que cela ne vous empêche d'obtenir l'unanimité des provinces?

R: Je ne sais pas. Mais vous verrez. Cela ne m'empêche pas d'avoir un bon espoir que nous allons faire du progrès avec nos propositions sur l'unité nationale que vous verrez très bientôt. Mais quant à moi, je l'ai répété, le Premier ministre Davis m'a donné certains engagements publics relativement à des garanties constitutionnelles dans le domaine de l'enseignement du français dans sa province. Je voudrais en obtenir autant du Québec, entre parenthèses, mais M. Davis m'a donné ces garanties. On verra s'il peut livrer la marchandise, mais pour

le moment, je crois en sa parole. Cela ne m'empêche pas encore une fois d'être déçu par son attitude qui je crois a montré plus d'intransigeance qu'il n'était nécessaire vis-à-vis les autres provinces, particulièrement le Québec qui aimerait bien sentir que, les Fédéralistes en tout cas du Québec, dans l'Ontario on est prêt à traiter les francophones avec autant d'équité, que eux, les Fédéralistes du Québec, sont prêts à traiter les anglophones.

CATHERINE BERGMAN: Sur un sujet différent, Monsieur le Premier ministre, dans le discours que vous avez prononcé lundi à Toronto, vous avez réaffirmé vos bonnes intentions à l'endroit du boycott arabe, mais vous n'avez donné aucune raison d'espérer des mesures plus concrètes. Même en tenant compte du fait qu'il faut maintenir des relations commerciales avec toutes les parties du monde, qu'est-ce qui vous empêche de légiférer pour empêcher les clauses négatives dans les contrats d'affaires?

R: Eh bien pour ce qui est des progrès qui ont été faits des clarifications de notre politique, je vous renvoie aux déclarations de M. Horner, il y a à peine quinze jours. Nous avons rendu notre politique plus explicite en ce qui concerne par exemple les déclarations de provenance, d'origine, soit déclarations négatives ou positives. Nous avons clarifié un certain nombre d'ambiguïtés qui existaient sans qu'on le sache entre ceux qui adhèrent à des clauses de boycott et ceux qui acceptent le boycott. Je continue de maintenir qu'il y a eu des clarifications qui constituent des progrès depuis quinze jours. Maintenant, vous me demandez si nous allons faire une prochaine étape. Ma réponse, c'est que ce n'est pas notre intention de faire cette prochaine étape. Certainement pas pour le moment, parce que toutes les évidences nous indiquent que notre politique actuelle qui ne nécessite pas un recours à la loi est efficace. Notre politique est basée sur le fait que ceux qui veulent traiter avec le Proche-Orient, avec les pays qui ont une politique

de boycott, doivent passer par le gouvernement, ont besoin des services du gouvernement. Et toutes les démonstrations de M. Horner tentent de démontrer la véracité de cette constatation. Alors, à partir du moment où l'on dit que vous n'aurez pas les services du gouvernement si vous acceptez des clauses de boycott, et à partir du moment où l'on dit ayant demandé des services du gouvernement et ayant essuyé un refus, nous vous nommerons et tournerons le phare de l'opinion publique sur vos gestes, je trouve que cette politique est suffisante. Je ne vois pas la nécessité de légiférer. Voilà.

CHARLES LYNCH (Southam News Services): Sir, on the question of the Gallup Poll and the improvement in the trade figures and the stabilization of the dollar, do you have any regrets that you did not call an election for June or July?

A. I was hoping we would not be talking about elections until sometime next March or April.

MR. LYNCH: Sir, I was asking for a retrospective view of your decision.

A. I never look back -- not even to last September.

MR. LYNCH: Can you tell me what your hopes are for the date of the referendum in Quebec that Premier Levesque plans to call.

A. I do not have a clue as to when he is going to call it.

MR. LYNCH: Can you tell us when you would like him to call it?

A. I have answered that question many times. I would have liked him to have called it yesterday and last year. I think the sooner we can clear the air, the better it would be -- so that people in Quebec can make up their minds; so that investors in Quebec and people who live there can make up their minds, and so that the rest of Canada can make up its mind, too, as to whether it is dealing with a provincial govern-

ment which will stay in Canada or which will want to leave, and what do the people think. My preference would be as soon as possible, but I have no idea whether Mr. Levesque will be influenced by my wish.

GERARD PAU (Télé média): Pour revenir sur les propositions constitutionnelles: Rencontré à sa sortie des Communes aujourd'hui, le ministre d'Etat chargé des relations fédérales-provinciales, Marc Lalonde, a indiqué qu'une conférence de presse sur les propositions constitutionnelles aurait lieu en début de la semaine prochaine. Est-ce qu'il est, admettant qu'il s'agit de votre dossier, bon de penser que lundi ou mardi vous rendrez publiques ces propositions?

R: Disons, pas tard dans la semaine prochaine, je les rendrai publiques et j'aurai sans doute l'occasion de répondre à vos questions à ce moment-là, à moins que M. Lalonde ne le fasse à ma place.

GERARD PAU: On parle aussi de propositions en terme général depuis quelque temps. Est-ce qu'on peut savoir dès maintenant quelle forme auront ces propositions: un livre blanc, un projet de loi ou autre chose?

R: Je crois que vous êtes quelques jours à l'avance pour avoir la réponse à cette question.

GORDON HENDERSON (Global TV): Mr. Prime Minister, getting back to Premier Davis' veto of the Private Member's bill, you say you are disappointed. I wonder whether you would take it one step further. Do you think that steps like that endanger attempts to keep the country together?

A. Once again, I think the term "veto" is not the correct one. My understanding is that he is just not bringing the bill forward for further debate in the legislature. But his Ministers participated in the debate and there was general support in the legislature. Comments were made on this by several of my English-speaking Ontario Ministers, and I really have little to add. Naturally, I am disappointed -- and that is the sense of your question, I think -- that Premier Davis does not realize how damaging that can be to the rest of Canada, if only from a symbolic point of view. Those Francophones of Quebec and the Francophone minorities in other provinces, I think, are genuinely and justifiably disappointed. They do not see why he did that. I personally do not see why he did that either because, as I was saying in French, he has given me very clear undertakings -- and I respect them -- that when we come to discuss a Bill of Rights, constitutional guarantees of teaching in French, he will be prepared to go along.

MR. HENDERSON: I think the sense of my question, sir, is whether you find this damaging.

A. Well, I think I gave the answer. It is certainly damaging amongst public opinion in French-speaking Canada, and I think in the Francophone minorities of Ontario. They have said so through various spokesmen. So, in that sense it is damaging. But, once again, I do not think we should forget that there has been substantial and real progress, even in Ontario, on increasing the rights of Francophone citizens. That is why I do not understand his attitude, and I regret it. I do not see why he had to



drag in the Federal Languages Legislation and hide himself behind what he calls the poor administration of that. Let him have an official languages legislation, make both languages official, and let him show us how he can administer it well.' We would like to take lessons from him.

MICHAEL BENEDICT (CTV News): Mr. Prime Minister, two of your cabinet ministers have publicly said that they will not run in the next election, whenever that is, and a third minister who is responsible for a department, is not in the House of Commons to answer questions. Without being cynical or disparaging about the first two, one might be able to argue that they would not show the kind of enthusiasm and maybe interest in their departments that other people would. In light of that, and in light of the third being in the Senate and not being able to answer questions in the house -- I would ask for your views on a senator heading a department -- I am wondering whether all of this makes you think of a cabinet shuffle in the near future.

A. Insofar as the senator not being able to answer in the house, it would seem to me we could lay that one to rest very easily by the fact that I have very little choice in the matter. I have two members from Manitoba, or I had two. I only have one left, and he has left the cabinet because he did not believe in the official languages policy. So, I am not going to bring him back in. The other one was in the House of Commons and he is now in the Senate. Surely the practice has been, in cases like that, that not only you could, but perhaps you should, if I believe Mr. Joe Clark, the leader of the opposition. Has he not said repeatedly that if he is elected without anybody or without a strong contingent from Quebec, he would want to bring people into the cabinet through the Senate?

I think that is a generally accepted principle. I don't know how long it should be practised, but

certainly in the circumstances in which it was done in our case, I see nothing abnormal, and certainly nothing unconstitutional about it. As far as the others are concerned, just leave it to me. I think Mr. Basford and Mr. Goyer are doing a very good job in administering their departments and in answering in the house. Therefore, I am happy to keep them in the present situation, though I know they won't run again. I would have done the same with Mr. Don Macdonald. I would have kept him on even though he was not going to run again had he wanted to stay in the House of Commons longer.

MR. HENDERSON: So, you are not thinking of a cabinet shuffle, say, before the summer?

A. No, I am not.

PETER WARD (Ward News Service): Mr. Prime Minister, initially with the Languages Act we were to have the designation of bilingual districts. Is there any intention on the part of the government to go ahead and so designate bilingual districts?

A. No. We got very little support from the provinces after we brought it in. As you will recall, we did have a committee on bilingual districts make a report, which was promptly panned by just about every province, if my memory is correct. Then we decided that we could indeed proceed with the Official Languages Act without formally designating districts. Our idea had been that if we could agree with the provinces on districts where French or English, or both, would be used, not only at the federal level, but at the provincial and perhaps even the municipal level, it would have made administration a bit simpler. But the provinces, for reasons that I respect, were not prepared to go along at that time. If it is just for our own purposes, we do not have to define districts. We can just make sure that services are supplied in both languages, or in the minority languages, in areas which are defined unilaterally by the federal administration. In other words, the idea of a Commission for districts was in the hope that we would establish

some kind of consensus between the three levels of administration.

MR. WARD: When was the last time, Mr. Prime Minister, that the bilingual districts were brought up with the premiers, and is there any intention on the part of the government to bring it up with the premiers again? I am wondering whether or not Premier Davis might have been a little more sympathetic to this private member's bill had there been in position bilingual districts in which that bill could have applied.

A. I cannot comment on that last one. It would seem to me that if Premier Davis had wanted that, it would have been relatively easy for him to say that he would move squarely into bilingualism in all areas of public service, or in certain areas, where there is a certain percentage of Francophone Ontarians.

MR. WARD: And on the first part of the question, Mr. Prime Minister?

A. How long it is since we raised this subject with him? -- roughly, I would guess, several years. Since, I would say, the first and second reports when the idea made no progress at all with the provinces and we left it aside.

MR. WARD: You have no intention to explore it again?

A. It is not essential to applying the Official Languages Act from the federal point of view. If we move into constitutional debates and guarantees to official minorities and the district concept can be helpful, I do not reject it as a possibility. But it is not something we are working on at this time.

FREDERIC CHARPENTIER (Radio-Canada international): Monsieur Trudeau, les programmes d'aide à Cuba dont on a annoncé qu'on les laisserait mourir de leur belle mort sans rompre l'accord de coopération avec Cuba, j'aimerais savoir si, c'est évidemment lié à des considérations politiques, est-ce que cela ne vous place pas dans l'obligation morale pour d'autres pays d'en faire autant, je pense notamment au Chili, à l'Argentine, où nous devrions peut-être prendre des mesures punitives passives à l'endroit de ces pays en raison des problèmes politiques qui y existent et auxquels nous accordons de l'aide?

R: Eh bien, c'est un dilemme. Comme vous le savez, il y a des considérations politiques qui ont fait que dans le cas de l'Inde par exemple, qu'on ait interrompu toute aide qui ne fût pas de l'aide médicale ou de l'aide alimentaire pour des raisons politiques parce qu'il s'agissait de l'explosion d'un engin atomique. Alors ce n'est pas impossible de spéculer que nos politiques d'aide sont en partie influencées par des considérations politiques. Mais les principes généraux, je les ai établis à plusieurs reprises ici-même en disant que nous essayions d'aider les individus, les sinistrés, les pauvres, les malheureux, les affamés dans les différents pays et qu'autant que possible nous ne faisons pas état de la couleur politique du gouvernement du jour. Ce que vous dites en donnant l'exemple de trois pays, vous pourriez en donner peut-être trente. A l'intérieur du Commonwealth même, comme vous le savez, il n'y a qu'un pays de tous les pays d'Afrique qui soit démocratique. Les autres, ce sont des dictatures, des régimes autoritaires.

MR. M. SCULLY (CKO News): Mr. Prime Minister, in the wake of the NATO meetings in Washington and the fact that U.S. mid-term elections are coming up, are you concerned at all that members of NATO, NATO countries, are being nudged into a deteriorating relation with the Soviet Union to benefit a particular party in the United States, or President Carter's stance of power in getting re-elected, or seeing the democratic process ---

A. I do not think so. I think all of the sovereign countries that belong to NATO are sovereign countries. I would not say it would be beyond, shall we say, the limits of decency to maybe help each other from government to government; but I would not say that that is the main motivation for the NATO participants. They are doing what they think is good for them as members of NATO. They are members of the alliance because they think it is good for each one of them. If they did not feel that way, they would withdraw, or they would make some form of variation, as indeed France has; as indeed Greece has; as indeed Turkey has.

MR. SCULLY: If I may, would you say that there has been a change in Soviet foreign policy in the last year that might warrant any change in Western reaction towards them?

A. I think in the complex tissue of Soviet-American relations, there obviously has been some movement. I think the Soviets took a bit of time to get adjusted to President Carter's administration, and particularly to his first position on the SALT and to his stance on human rights and his principle of linkage. I think as a result of that, the Soviets probably did modify some aspects of their foreign policy. But insofar as the essentials are concerned, I still believe that the Strategic Arms Limitation Talks should be proceeded with, and I am still convinced that it will be in the interests of the United States and of the Soviet Union and of the entire world that they



be proceeded with. So, to that extent, I do not think the Soviet Union wants the SALT talks to fail, any more than President Carter wants them to fail. I think both countries want them to be a success -- and so do we, of course.

J. SIMPSONS (Globe & Mail) In immigration, external affairs and control over cable television, your government has been prepared to negotiate with the Province of Quebec, and with other provinces, either greater participation in those areas or greater control over part of the administration of those areas. In the Cultural White Paper it is quite clearly said that the Province of Quebec should have control over, for example, copyright, national parks, artifacts from Quebec now in federal hands and recreation and leisure policy.

Would you be prepared, as you did in the other cases, on an issue by issue basis, to negotiate with the Province of Quebec on these and other matters?

A. Yes, if the contrary could be done, too. There are certain areas which are exercised by the provinces that we think would be better exercised if they got out of them or they did them in co-operation with the federal government. I have said repeatedly that we are prepared to discuss constitutional change on division of powers and we are prepared to discuss administrative arrangements. You gave some examples -- immigration, communications. I do not know if you gave the example of social services, family allowances, for instance, where we made administrative changes to ensure that family allowances would be paid in each province according to a pattern that they specified. So, we are open to administrative arrangements and we are open to constitutional changes. I just do not think that the publication of one white paper saying that certain areas should be better exercised by the provinces is enough to move me to right away either hand it over administratively or to suggest a constitutional amendment. If the Province of Quebec wants to discuss these things in a federal-provincial forum or in a bilateral forum, we would be happy to sit down with them.

MR. SIMPSON: A question of clarification. In the case of immigration and communications, that was done not on a quid pro

quo basis. You did not sit down and say in either of those cases, "We will consider giving you greater power over immigration, but let's also put on the table some matters which we think we should have greater control over."

Am I right in assuming that if Quebec, as they said they would, demands control over some of these areas I have listed, and many others, that you are prepared to sit down with them, as you did in the other cases, without a quid pro quo and negotiate or discuss the possibility of a transfer of these powers?

A, The answer is no, because I do not see a parallel between the cases that you mentioned. In the case of immigration, it is a joint area under the Constitution. Both governments have jurisdiction. So, it is natural to sit down and decide how to exercise our respective jurisdictions jointly and, hopefully, co-operatively.

In the case of communications, as you know, there was a great deal of debate about certain areas of communications and telecommunications, some provinces having claimed that certain areas were provincial; we having claimed that they were federal, and the courts having cleared at least some of it up. But we said, "Look, let's not fight over jurisdiction. If we can improve the service to the people by sitting down and making a deal, let's do so."

I remind you that we did the very same thing with the maritime provinces about a year and some months ago when the three maritime premiers and myself sat down and negotiated a deal and said, "Well, we won't fight over who owns the offshore resources. We will sit down and make an administrative arrangement which will be to the benefit of both sides."

If Quebec has some proposals to make along those lines, I am happy to hear it. But if it is talking of trading jurisdictions, of improving the Constitution in a permanent way, I repeat, we are open to persuasion, but I hope they would be equally open to persuasion.

LUC LAVOIE (TVA) : Monsieur le Premier ministre, est-ce que je peux connaître votre réaction à la dernière proposition de M. Parizeau qui semble être, une volte-face de sa part?

R: Ma réaction, c'est qu'on a perdu beaucoup de temps pour en arriver à une solution qui semblait s'imposer dès le début et dont je ne comprendrai pas l'obstination de l'opinion québécoise en large partie et des média en bonne partie à ne pas comprendre à quel point c'était simple. Voici deux gouvernements qui ont juridiction sur un régime d'impôts. Notre ministre des Finances, M. Chrétien, dit aux gouvernements provinciaux: si vous faites telle chose dans votre champ d'impôts nous ferons telle chose dans le nôtre, nous allons collaborer. Huit, neuf provinces ont dit: oui, d'accord. Alors on a fait une entente. Une province a dit non. Elle n'a pas dit non à temps mais elle a finalement dit non, on ne veut pas collaborer. Alors on reste dans quelle position où chacun doit s'occuper de son champ de juridiction, où M. Parizeau peut couper les impôts comme il veut dans le domaine de sa juridiction. Il n'y a rien à redire là-dessus. C'est pas notre rôle de critiquer sa façon de couper ses impôts. Et où M. Chrétien, bien sûr, reste libre de critiquer les impôts de la façon qu'il l'entend. S'il y a entente, on s'ingère pas l'un l'autre dans la juridiction l'un de l'autre. S'il y a entente, on se met d'accord pour faire certaines choses ensemble. Mais à partir du moment où il n'y a pas d'entente, M. Chrétien était libre de faire ce qu'il voulait et M. Parizeau était libre de faire ce qu'il voulait. Où est le scandale? En quoi est-ce qu'on s'immisçait dans les affaires provinciales? On disait: on a essayé une entente, il n'y en a pas eu. Alors faisons ce que l'on veut, chacun de son côté. C'est ce que M. Parizeau finit par reconnaître: moi, Parizeau, j'ai coupé mes impôts de la façon que je voulais, vous, M. Chrétien, vous coupez les vôtres de sorte que la province du Québec aurait un stimulus de quelque \$225 millions, alors coupez-les de la façon que vous voulez. Puis il écrit aujourd'hui à Chrétien disant:

vous pouvez couper cela de la façon que vous voulez, soit en avril prochain, soit cet été, puis je m'ajusterai. Mais pourquoi est-ce que cela a pris tellement de temps à M. Parizeau, puis à tout le monde, pour comprendre cela? Cela demeure un des mystères de ma vie politique.

LUC LAVOIE: En supplémentaire, Monsieur Trudeau, est-ce que vous trouvez également mystérieux que les journalistes au Québec semblent unanimes à dire que politiquement c'était une grande victoire pour le gouvernement du Québec. Est-ce que vous considérez la chose comme une défaite politique?

R: Eh bien non, je viens de dire...

LUC LAVOIE: auprès de l'opinion publique, s'entend

R: Ah bien sûr, l'opinion publique, tout le monde, grâce à vous en partie, a pensé que M. Chrétien avait tort. Mais je vous le demande encore. En quoi est-ce qu'il avait tort de dire: on n'a pas pu faire entente, je vais faire ce que je veux avec mes impôts, fais ce que tu veux avec les tiens, Parizeau. Mais c'est sûr que du point de vue de l'opinion publique, on a encaissé un revers et je pense que M. Parizeau qui est pas bête s'aperçoit qu'il a gagné pas mal de points politiques. Maintenant que l'opinion a réfléchi, commence à tourner, et qu'on s'aperçoit qu'on a peut-être été leurrés, un peu tout le monde, il se dépêche de clore le dossier. Tout cela, je trouve cela fin comme tout. Plutôt que de prolonger le débat, ce qui permettrait à des gens de réfléchir un peu à ce que je viens de vous expliquer, il dit: finissons donc avec cette histoire. Il a gagné des points et il veut fermer le dossier. Il fait très bien. Nous, on va le fermer. Il a dit qu'il accepterait l'une ou l'autre méthode, comme M. Chrétien a dit: l'une est plus simple et probablement qu'il l'a préférée; mais on va examiner l'autre méthode proposée par M. Parizeau qui est une certaine modification de l'alternative que M. Chrétien avait proposée. Est-ce que cela vous est encore très mystérieux, Messieurs dames? Peut-être que je devrais le dire en anglais maintenant?



MICHAEL DUFFY (CBC Radio News): Mr. Prime Minister, in 1976 the then Minister of National Revenue, Mr. Cullen, wrote a letter to the then Solicitor General, Mr. Allmand, complaining about the way the RCMP was using or abusing tax information -- in fact, apparently suggesting that the Income Tax Act was being violated by the RCMP. Is it the position of your government that the exchange of correspondence between those two ministers will be allowed to be presented to the McDonald Commission as evidence?

A. I think you are digging up something which appeared two or three weeks ago, or at least two weeks ago when I was in the United States. My understanding is that that was cleared up by Mr. Cullen; that he did make a statement on that. To my knowledge, it is all in front of the McDonald Commission.

MR. DUFFY: The letters have not been presented to the McDonald Commission, and there is no indication at this point that the letters will ever be presented, at least in public. Do you not think ---

A. Didn't somebody refer to these letters? I mean, how do you have knowledge of them? I am asking the question innocently. I was told about them, and I was told there was nothing in them, and that indeed the ministers were writing each other in order to try and clarify an area of jurisdiction and look at how each would conduct himself, but that there is really nothing to worry about; that there was a half-baked bit of news that came out on a Friday, and by the time Monday had come around and the testimony had been completed, it was quite apparent that there was nothing amiss.

MR. DUFFY: We may be talking about two different sets of letters, sir.

A. Possibly.

MR. DUFFY: The Commission has apparently now been given in private this communication, which the lawyers for the federal government argue is covered by ministerial privilege.

Will you ---

A. As you say, we perhaps don't understand. I do not know what communication you are referring to. If it is the one that was referred to in the testimony about two weeks ago on a Thursday or a Friday, it was cleared up on the Monday or the Tuesday. If you are referring to some other communication, I am not aware of what it is.

ROBERT LEWIS (Maclean's): May I ask a supplementary on that point? Do you have any opposition to making those letters public?

A. Well, we are presumably not talking about the same letters. The ones I am talking about, the contents, or the thrust of them, have been made public.

MR. LEWIS: I don't think they have, sir. I think they are in camera before the McDonald Commission. Isn't the issue whether or not the government will oppose or support their release? In other words, is there a kind of ministerial privilege on these letters? That is basically the thrust of my question.

A. I would have to find out what letters we are really talking about. Maybe I do not have an understanding of the facts that you are referring to.

MR. LEWIS: But, in general, letters between ministers ---

A. If it was in camera -- it could not have been in camera, because it came out publicly.

MR. LEWIS: Well, the lawyer, I think, blurted it out, whether accidentally or intentionally ---

A. Well, if he broke the in camera rules, I think it would be up to the judge to decide if he is going to lift the in camera rules or not. It is not up to me.

MR. LEWIS: But in general, is it your feeling that these letters ---

A. In general, when we set up the Royal Commission, we gave Judge McDonald and his fellow commissioners

the authority to do certain things in camera which were necessary for the maintenance of security of the state and the respective state secrets. If he did something in camera and it is as a result of an indiscretion that it came out, I certainly would not say that it should be made public. I would leave it to Judge McDonald to make that decision.

In some cases it might have been nice if the government could have decided what was in camera and what was not in camera, but the terms of reference, as interpreted by the judge, were that he would decide. So, if he decided that they should be in camera, I am not going to go against that decision.

GEORGE RADWANSKI (Financial Times): Mr. Prime Minister, a question in anticipation of Monday's constitutional paper. How important in your overall scheme of things is constitutional change in terms of the national unity problem? Or, to put it otherwise, in the absence of constitutional initiatives by the federal government in the near future, would the chances of Quebecers opting for separation be greater?

A: Well, I think the problem of national unity is much broader than just constitutional change, and we will make that position very clear. The Constitution can satisfy certain areas, but certainly national unity has to do with economics; it has to do with sociology; it has to do with the interpretation of the Official Languages Act, which has nothing to do with the Constitution; it has to do with events such as the air controllers' strike, and so on. So, we will make it quite clear in our position that the Constitution is only one facet of the much greater problem of national unity.

I think since 1968 I have been saying, for instance, that regional economic disparities are a very important aspect of national unity.

MR. RADWANSKI: A supplementary, if I may, and precisely because you have said these things. My question, really, is

do you consider constitutional change, in the context of keeping Quebec or Quebecers from deciding to separate in the near future -- say, in the referendum -- do you consider constitutional change a vitally important or indispensable element of doing that, or is it, in a sense, optional or peripheral to that particular problem?

A. No. I think the way public opinion has developed, it is essential. That is why we will be making constitutional provisions. I have gone on record as saying that I probably could have lived with the present Constitution for another decade or so; but I think in the present state of the debate it would be wrong to try and talk of national unity without proposing certain constitutional changes, which we will do. I think there is an expectation, not only in Quebec, but I think, as the Pepin-Robarts committee seems to have demonstrated in its hearings, from a great many people, and indeed you will have the government of Ontario make proposals for constitutional change; you will have the Western Conference make proposals for constitutional change; you will have a group of academics in Toronto making proposals for constitutional change; you have the Tory party in Ottawa, the national Conservative party, publishing a position paper on constitutional change. I think the debate has advanced that far that it would be wrong to try and shrug off the need for improvements in the Constitution at this time.

BRUCE PHILLIPS (CTV News): I may have missed it earlier, but can you tell us when you propose to bring forward your own proposals?

A. Yes, I said "not late next week."

MR. PHILLIPS: Thank you, sir.

TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE, OTTAWA  
JUNE 12, 1978 - 5:00 p.m.

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THE PRIME MINISTER: Well, as you know, this afternoon I tabled in the House of Commons a proposal for Constitutional Reform and for furthering of national unity, a White Paper called "A Time for Action."

When I entered public life some years ago, I had a deep commitment to federalism. I still have that commitment. I have attempted at least twice, as you know, in the past ten years to create a consensus which would be necessary for Constitutional Reform and in both cases I was not successful. Apparently others did not share my own belief that we did have to change the constitution in some ways. This time I hope we will be successful because time is running out. We know that the people of Quebec will have to make up their minds on their destiny within the immediate future and I do hope that these proposals will be not only taken very seriously in a non-partisan spirit and the spirit in which they were presented but that there will be acceptance of some urgency for action and it is in this sense that we chose the title, "A Time For Action."

Nous avons déposé cette après-midi, à la Chambre des Communes, un document sur l'unité nationale et le processus de réforme constitutionnelle. Comme vous le savez, au moins à deux reprises dans la dernière décennie j'ai fait des propositions de changement constitutionnel aux provinces et au Parlement, et j'ai tenté d'établir avec mon gouvernement un consensus sur la nécessité de certaines réformes fondamentales. De toute évidence, à ces deux reprises ce consensus ne s'est pas créé. D'autres ont cru que ces réformes que je proposais n'étaient pas urgentes ou n'étaient pas à propos. Cette fois-ci j'espère qu'on verra que dans ces deux phases dans son approche double, le gouvernement est prêt à faire des réformes de base, des réformes fondamentales.



Et surtout on verra qu'il y a une certaine urgence. Les Québécois auront à voter un jour ou l'autre dans un référendum sur leur avenir en tant que Canadiens. Et je pense qu'il est important maintenant que nous agissions et c'est pourquoi le document s'intitule Le temps d'agir. Je pense que si, encore une fois, deux fois dans la dernière decennie nous avons pu reporter le problème je pense que maintenant nous ne pouvons pas le reporter.

LUC LAVOIE (TVA)

Q. Monsieur le Premier ministre, vous faisiez référence aux propositions que vous avez faites dans le passé pour réviser la Constitution. Est-ce que vous pourriez nous indiquer en quoi les propositions déposées aujourd'hui diffèrent de la charte de Victoria de 1971?

R. Eh bien, le livre blanc que j'ai déposé s'en tient aux principes généraux et ne fait pas de propositions détaillées; ces propositions détaillées comme vous le savez seront présentées devant la Chambre des Communes sous forme d'un bill avant la fin du mois et à ce moment là on pourra répondre plus précisément à votre question. Mais il importe de reconnaître que les problèmes d'il y a dis ans son plus ou moins les problèmes d'aujourd'hui. C'est à dire les problèmes d'aliénation d'une région à l'autre, et les problèmes des relations entre la communauté francophone et la communauté anglophone, le problème de la centralisation versus la décentralisation. Alors, il n'est pas étonnant que les remèdes que nous proposons aux différents malaises constitutionnels ne soient pas tellement différents de ceux qui ont été proposés il y a cinq ans et il y a dix ans. Reste quand même que dans le projet de loi que vous verrez il y a un certain nombre de nouveautés que je pense vous trouverez intéressantes.

MADELEINE POULIN (RADIO CANADA)

Q. M. Trudeau, vous avez fixé un échéancier assez serré; vous venez de parler d'urgence . Pour respecter cet échéancier là est-ce que vous envisagez d'avoir recours si nécessaire au rapatriement unilatéral de la Constitution?

R. Eh bien, non, lorsque le livre blanc parle de l'optique actuelle du gouvernement, nous avons l'intention à ce stade-ci d'agir essentiellement dans les domaines qui sont de juridiction fédérale. Il y a un nombre de choses que nous pouvons faire en vertu de la juridiction fédérale et c'est dans ce domaine-là qu'on se propose d'agir d'ici un an . Le rapatriement, la formule d'amendement concernant bien sûr les provinces et quoique nous avons l'intention d'en discuter au cours de l'été et à la Conférence Fédérale-Provinciale de l'automne, ce n'est pas un de ces domaines où nous proposons d'agir unilatéralement, même après consultation, nous voulons consulter les provinces et la Chambre des Communes et la population canadienne par le truchement de la Commission Pépin-Robarts. Nous voulons les consulter sur l'ensemble de la Constitution bien sûr, mais notre propos est d'agir dans le domaine de juridiction fédérale d'ici le 1er juillet 1979. Pour le reste, nous espérons aussi faire des progrès mais nous ne proposons pas une action unilatérale.

Q. Dans l'ensemble de votre échéancier, comment la formule d'amendement et le rapatriement s'insèrent-elles?

R. Eh bien nous en discuterons certainement à la Conférence des Premiers ministres à l'automne. Et s'il y a un consensus qui se développe bien sûr nous serons très contents d'agir le plus rapidement possible. Mais je le répète, s'il n'y a pas d'accord, s'il n'y a pas de consensus, nous n'avons pas l'intention d'attendre que ce consensus se développe pour agir dans les domaines qui sont de juridiction fédérale à proprement parler.

LISE BISSONNETTE (LE DEVOIR)

Q.           Monsieur le Premier ministre, le livre blanc exclut délibérément la question de fond du partage des pouvoirs mais il en définit quand même les principes. Il parle en quelque sorte d'un fédéralisme fonctionnel qui serait négocié entre Ottawa et les provinces en général. Est-ce que ça exclut toute possibilité de négociation bilatérale avec le Québec, et est-ce que ça exclut définitivement dès maintenant la possibilité d'un statut qu'on l'appelle particulier, spécifique, ou spécial?

R.           Eh bien pour ce qui est des négociations bilatérales j'en ait fait plusieurs vous vous rappelez au cours des mois de novembre et décembre. J'ai rencontré chacun des Premiers ministres et parfois plusieurs de ces ministres séparément. Alors bien sûr il peut être utile dans l'élaboration de nos propositions de rencontrer seul à seul les chefs de gouvernements provinciaux et rien n'est exclu dans ce domaine. Au contraire au cours des semaines qui viennent des ministres fédéraux en mon nom vont rencontrer les Premiers ministres des provinces pour expliquer ce qui est dans le livre blanc et ce que nous projetons en gros dans le projet de loi que nous allons déposer incessamment. Alors les consultations bilatérales ne sont nullement exclues. Pour ce qui est du résultat de ce partage des pouvoirs, je le repète je l'ai dit dans le livre blanc: tout est négociable à partir du moment où nous en arrivons à une véritable fédération. C'est-à-dire un système de gouvernement où le gouvernement et le Parlement fédéral ont des juridictions bien précises ayant une portée générale pour l'ensemble du pays, et où les différentes provinces qu'elles s'appellent états ou autre chose, ont des juridictions bien précises s'appliquant à l'ensemble des citoyens de cette province.

MR. RICHARD GWYN (Toronto Star): Mr. Prime Minister, I want to ask you about an apparent contradiction in the White Paper. On page 9 it talks about that two official languages must be recognized, <sup>guaranteed</sup> and specifically provincial services must be administered to minorities and then on page 24 (5) it talks about first of all the charter of rights and freedoms and then it says "Provisions could be made for provincial governments to join in supporting the Charter at once or when they saw fit. On one hand you say they must be provided and on the other hand you say every province can disregard it.

A. It is quite clear that we don't propose in that White Paper or in the Bill that we will present to Parliament to force anything on the provinces that is not in our jurisdiction, so as I was explaining in the House of Commons we will make proposals to the provinces which will tend in this direction to protect individual rights and liberties of each citizen and also to protect linguistic rights in certain areas. We think this must be done, and I have said this a thousand times, but we do not propose in the Bill to force upon the provinces to in some way modify their jurisdiction to do certain things. We are proposing it to them. We hope that they will opt in. We hope in the area of Bill of Rights and of linguistic rights all of the provinces or at least a great majority of them will want to opt in very soon but there is no intention to force the provinces to do so. We want to discuss with them and the Bill we will present to Parliament will be one which will be acting in the area of Federal jurisdiction. For instance, in the matter of linguistic equality, we will entrench this in the constitution insofar as Federal jurisdiction is concerned. We will not entrench it insofar as the provinces are concerned unless they opt in.

MR. BOB LEWIS (Macleans): Mr. Prime Minister, just to follow up on that point in a more general way. I think you would agree that in essence we are talking about a sort of <sup>ringing</sup> declaration of principles on which the country can commit itself to the

future. A new charter of rights, a new sharing of powers and yet, as a previous question indicated, there is this suggestion of provinces opting in or out if they want, opting in, and it doesn't seem to be the most kind of ringing note on which to be talking about a new constitution. I just wondered if you might reflect on that. Are people going to rally to the flag on something that appears as limp as this does?

A. Well, it would be more ringing, of course, if we said that we were going to go to war with the provinces and we would force them to do things even over the heads of their provincial governments, but this is not the way in which we want to proceed. The distinction with this approach and the one we have tried in the past two occasions is that we are saying to the provinces in 1968 to '71 we tried to get a consensus developed and we failed. Then I tried again in 1975-76 to develop a consensus and we failed, and each time having failed we did nothing. This time we say, and you will see it quite clearly in the Bill, we say we can do something with the constitution in areas of federal jurisdiction and these things are quite momentous and quite considerable and if we can succeed in bringing you in, in opting in, to use the expression, we will be all the happier, but if we fail, we will go ahead in areas of federal jurisdiction and we will act through the Federal Parliament, acting alone in areas within its jurisdiction which are very broad, if you look at the constitution. This is what we are saying. Now this might not be ringing enough for the revolutionaries but it is a considerable step, great progress over the previous system where we sort of waited around. It is now 52 years since the first debates took place in Parliament on renewing the constitution and each time, having failed to get every province to agree, we say we will wait another what is, five, ten, twenty years. We are saying this time we will go ahead in



our areas of jurisdiction whether the provinces agree or not, and this, of course, is something absolutely new.

STUART LANGFORD (CBC-TV): Mr. Prime Minister, further on on the same point. I am a little confused on this opting in and what effect it would have. If you consider Sections 91(1) and the restrictions there on changing the constitution and then the restriction on 92(13) and then if you look, for instance, at language rights and clause 2 of the Favreau formula which says we want every province and the Federal Government to agree plus, I assume, the British Parliament, I don't understand how the mere opting in of one province could create these rights as law?

A. Well, take a very simple example. The Bill of Rights that we have now is a mere statute of Parliament. The courts can sometimes judge that this statute supersedes other statutes and sometimes it doesn't, but insofar as the Federal Government is concerned, we would write the Bill of Rights into the constitution. We would define them and we would make it quite clear that the constitution, as it must, supersedes every and other law in the sense that no governments can act contrary to the Bill of Rights. To use the formula that they use in the United States Constitution, "Congress shall make no law abridging"...whatever it is, freedom of speech. This is what we intend to do insofar as the federal jurisdiction is concerned. Insofar as province A - let's take British Columbia. If they say we too will be bound by this Bill of Rights which says that the Government of British Columbia and its legislators shall make no law abridging freedom of speech, then they are bound too, as well as the Federal Government. This is what opting in means. It means that provinces can choose to adhere to this basic protection of the citizens and it is our belief that an increasing number of provinces

will want to do so and hopefully we will end up with ten provinces and the Federal Government having opted in to this guarantee of basic rights and when that has happened, of course, the constitution will bind everybody for all time until it is amended by a certain accepted amended process.

MR. LANGFORD: If I may, so then by leaving the Favreau formula which has, I gather, been accepted for so long I presume that is out now as to rights, but it seems to me what might happen is you are creating separate nations in Canada yourself by allowing different rights to exist. In effect, a different constitution in different provinces, depending on whether they opt in or not?

A. Oh come on now. The provinces all have under the present BNA Act the power to amend their own constitutions the way they want in every way they want including everything except the Lieutenant Governor, so can you argue they are all different nations because they all have the power to set up their own constitutions? I don't think everybody has argued that except perhaps certain extreme forms of nationalists in the case of Quebec, so this situation that we are creating is nothing new. I think at least half a dozen of the provinces all have their Bill of Rights just as the Federal Government has its Bill of Rights. The difference is that each provincial legislature and Parliament can override this Bill of Rights by successive statutes. If we bring the provinces in, at least the half dozen or more which already have Bill of Rights to say, well, let's accept a national one, surely we have not created many nations. We have strengthened the one nation, the Canadian nation, that does exist.

MR. PAUL PARK (CKCU Radio): Mr. Prime Minister, it has often been said that the party in power, whichever party it is, has used the Senate as a repository for the party faithful. With respect to the House of <sup>the</sup> Federation, do you expect that the provinces will be any less partisan?

A. Well, it will depend on how the Members of the House of Federation are appointed and I really cannot give you many more details today because the Bill will be first introduced in the House of Commons.

MR. PARK: Will you be planning that all present senators will be carrying on in the House of the Federation.

A. We will have to make provision for that if the number of senators to come is not much larger than the number which is there now.

MR. BILL WILSON (Montreal Star): Mr. Prime Minister, on the same question, the House of the Federation. There are at least two quite well-known constitutions where an Upper House has a regional responsibility, one of course, is the American one, the Senate, the other case is the Bundesrat in Germany and in both cases the members of the Upper House have a direct electoral responsibility. In the German case, it is the Prime Ministers of the various lander, and senior ministers, and in the American case they are directly elected to the Upper House. What is your philosophical thinking on this question of the electoral responsibility which appears to work certainly in the American case and in the German case against the fairly obvious pitfalls of appointed representatives whether they are appointed purely by the Federal Government or in conjunction with the provinces or even some of them by the provinces but the question of appointment against electoral responsibility?

A. Well, without telling you exactly what is contained in the Bill, of course we had to meet this problem when we devised the House of the Federation that we are proposing in the Bill. I could point out to you another federation which I think you deliberately left aside, that of Australia, which has members of the Upper House elected directly to it, and you know what a problem that causes in terms of responsible government. Should the cabinet be responsible to two houses

or one and if it's one, which of the two is it, and if it is both, how do you avoid the kinds of problems and kiffuffles that exist in Australia which sometimes need for double dissolutions and so on. You have there my philosophical reflections on your question.

MR. TERRY WILLS (Toronto Star): Mr. Prime Minister, the White Paper remarks on the urbanization of Canada that some cities are now larger than several of the provinces and I think at the top of page 23 it implies that the Federal Government thinks that the powers of municipalities should be augmented. Is that a correct interpretation? Is the general vein of thinking of the Federal Government that the powers of the municipalities should be augmented and if so, what powers?

A. This is an area which concerns a division of powers because under the present constitution urban affairs, municipal affairs, come under the jurisdiction of the provinces and we would not attempt to change that in any way without discussion with the provinces, but a distinction must be made between municipal affairs and the reality of urbanization which is a sociological reality which has nothing to do with the constitution. As a matter of fact, in the city, in the phenomenon of urbanization, the Federal Government has a large part to play and it does play a large part, whether it be through its post offices or railway stations or federal buildings or airports or harbours or whatever it is, so obviously even in the city as it is constituted now, the Federal Government has a very real and large presence and we have attempted up to now to try and solve this problem of jurisdiction of the province in municipal law and very real federal presence in the cities as well as a very large presence in the private sectors. We have attempted that through tri-level conferences and so on. We would continue to do it that way. It is a reality to which we draw attention in the sense that these problems have to be

addressed, particularly when we are talking of overlap and duplication of services. We have before the House of Commons and the legislatures of the provinces very frequently occasions where the jurisdictions, because they overlap, have to be resolved and are resolved with this sort of action. We propose in the White Paper a series of measures which will hopefully reduce the number of areas where there is overlap and where overlap cannot be avoided we propose certain approaches to federal/provincial consultation which will ensure greater harmony.

MR. CLAUDE HENEULT (UPI): I would like to return to the question of human rights. First of all, have you received any indications from any provinces that they are going to opt in to that section because it would appear to me they would be conceding a certain amount of their jurisdiction over civil rights which is guaranteed to them in the constitution by doing so and secondly I would like to have you comment on the philosophical position that has been referred to partly in an earlier question, a philosophical view that you might hold of federal legislation in the federal constitution that does permit one part of the country to have certain human rights and another part not to have, as it would under the opting in formula?

A. Well, I must disagree with the preamble to your first question. A Bill of Rights would limit the provinces in their freedom of action, provincial governments<sup>and</sup> legislatures in their freedom of action no more than it would limit the Federal Government and obviously any Bill of Rights in a constitution whether it be the American Constitution or any others is meant to limit all powers, all governments, all institutions within the land, and I think it is showing either a misunderstanding or prejudice to seize right away on the fact that provincial governments will lose some of their authority. That is the nature of the Bill of Rights, but not only the provincial governments. Equally the Federal Government



and one can believe in Bills of Rights or not. One can believe in the supremacy of Parliament or not, but I believe in a federal system like Canada where there is precisely wide divergence of ideologies and of parties which govern at different levels and different regions of Canada. It is pretty important to have a basic statement of rights which is for the protection of all citizens against all levels of government and insofar as the second question you asked about what happens when one region opts in and the other doesn't opt in, existentially it would be no different than the present system where there are different Bills of Rights in different provinces and in the Federal Government. We have a Bill of Rights. Certain provinces have a Bill of Rights and this doesn't make us all less Canadian even though the Bill of Rights may differ from province to province, but notionally by getting -- I would hope that the political process would have the effect that provinces would be urged to opt in to the Bill of Rights, the constitutional Bill of Rights by their opposition if the governments of the provinces themselves didn't want to do that, and I would hope that over a period of time if citizens indeed feel that the protection of their basic rights is important and urgent, I would hope that the political process would bring to power governments who decided to opt in to the Bill of Rights.

MR. BRUCE PHILLIPS (CTV News): In the same general area. Mr. Prime Minister, do you visualize a proposition that would permit a province to opt for portions of the Bill of Rights and not portions of the others? For example, to accept those portions of the Bill of Rights with respect to property and the normal civil rights as we understand them of freedom of speech and so on but not for argument's sake the language provisions of the Bill?

A. Well, you will see that the Bill of Rights is presented as a whole and it includes individual rights and it includes the traditional political rights. Certain social rights. Certain civil rights to use your expression and also certain

linguistic rights.

MR. BRUCE PHILLIPS: Well, with respect, I don't think you have dealt with my question. Would there be a provision which would allow a provincial government to accept part if not necessarily all of that Bill or are you putting this forward as a Bill of Rights that must be accepted in its entirety or not at all?

A. The latter. It must be accepted in its entirety or not at all.

MR. GEORGE RADWANSKI (Financial Times): Mr. Prime Minister, in answer to an earlier question you indicated that patriation and an amending formula were areas in which you did not intend to have the Federal Government proceed unilaterally but since constitutional opinion is by no means unanimous on this point, I would like to be clear on whether you are saying that in your view the Federal Government would not have the power in its jurisdiction to proceed unilaterally in those areas or are you saying that it would have the power but it is choosing not to follow that course for the foreseeable future?

A. Well, you are asking my opinion now as a professor of Constitutional Law, I would think, rather than as a practising politician.

MR. RADWANSKI: They are not unrelated in this case.

A. Well, let me just say that the tradition of the constitution has been that in areas affecting the provinces provincial consent has been sought by the Federal Parliament before applying to Westminster for a change affecting the provinces. Conceptually, it is possible, I would think, under the law for the Federal Government to advise Westminster even if it hadn't had the proper consultation and if Westminster disagreed I think we would have an incredible row on our hands and if they agreed then some of the provinces might not be happy, but I think that is the law as it exists

but the constitutional practice has been one of going for consent, agreement with the provinces. Are there some circumstances where the Federal Government should ride roughshod, as the cliché goes, over the will of all or some of the provinces? I think that would be a political judgment.

I think in law the answer is that the Federal Government alone has a locus standi in talking to Westminster.

MR. RADWANSKI: A supplementary, if I may. Then you have drawn a distinction between some areas where you feel the Federal Government, is free, and in fact will proceed unilaterally in the months ahead and others where it would wait and talk to the provinces and so forth. For greater clarity, could I ask you to itemize which are the areas where proposed changes are favoured in which you feel the Federal Government can and in fact will proceed unilaterally if necessary?

A. Mind you, when you say proceed unilaterally, I want to make it clear that it will be after much and exhaustive consultation. Not only that of the past 52 years and that of the past 10 years but also after the setting up of a parliamentary committee, after federal/provincial meetings in the fall, all this in areas of strict federal jurisdiction. You asked me what are those areas and I will answer you like a professor again. Take the BNA Act out. Look at Section 91(1). See what areas cannot be amended by the Federal Government acting alone and you will see there is a lot of things left. Now you don't want me to enumerate every section of the constitution, do you?

MR. RADWANSKI: Well, I was wondering in the context of the proposals that you make here. Which of those you put in your category of ---.

A. Obviously, the ones we draw to your attention in the White Paper are the Senate, the Supreme Court, a Bill of Rights insofar as it is binding on the Federal Government just to take those three examples. Now, it would be desirable, it would be extremely desirable, if before changing

the Senate or the Supreme Court, for instance, we get the consent of the provinces or at least we develop a national consensus of sorts, but I indicate that under the BNA Act as it lies now, these institutions can be changed unilaterally by the Federal Government.

MARK PHILLIPS (CBC News): Well, this is in some way a repetition of an earlier question in French, so I will try to phrase it a little differently. Why will this set of initiatives succeed when it doesn't deal at least at this stage with the contentious area of an amending formula? Why do you think this initiative will succeed when others have not?

A. Well, I think your question itself gives you the answer because the other areas are contentious. This area should not be contentious. This area can succeed because one party acting alone can make it happen. When it is the amending formula or the division of powers one party acting alone cannot make it happen. As I explained to Radwanski it may be in legalistic terms anybody can make anything happen but certainly in political terms the experience of the past ten years has been that when you try and touch some area in which the provinces are involved directly under the constitution you end up in frustration, so it is easy to say we will succeed. I no more guarantee that this Bill will pass Parliament than I have that Chretien's Bill on taxation will pass Parliament. At some point you have to take time and get it through but this is an area that the Federal Government, acting alone, can proceed so that is why you have some kind of a guarantee that it will succeed.

MARK PHILLIPS: So that you are up against the same hurdle so that you have --

A. Ultimately the hurdle you are up against is that you have sought for agreement among eleven governments and four have said no, two have said maybe and a few more have said yes.

What do you do then?

MARK PHILLIPS: Exactly.

A. But in this particular case you are not in an area where the provinces have a right to legislate and make laws. You are in an area where the Federal Government is acting alone. Section 91(1).

MARK PHILLIPS: I wonder if you could elaborate just a little further. If you get up against those hurdles, which you have got the equation which you are discussing, what do you do then? If you cannot get an agreement on the division of powers, how far do you go? Do you then try and go around the provincial governments or something?

A. No. In Phase I I answered Radwanski. There is a lot of things we can do and you will see a very substantial Bill that will be before the House of Commons very soon which covers a great many areas that are covered by Section 91(1). Areas in which the Federal Government can act alone. Areas in which it would be desirable to find a consensus but where a consensus is not necessary. We don't even have to go to Westminster to change many things in the constitution and it is in these areas where we don't have to go to Westminster that we are proposing many changes in the constitution.



MICHEL GUENARD (TVA)

Q. Monsieur le Premier ministre, maintenant que vous avez dévoilé une partie de votre jeu constitutionnel, comment est-ce que vous escomptez intégrer les recommandations de la Commission Pépin-Robarts lorsque celle-ci finalement déposera son rapport?

K. Eh bien les propositions que nous faisons aujourd'hui et que nous ferons plus tard ce mois-ci seront déposées devant la Chambre des Communes, seront étudiées par un comité parlementaire et éventuellement seront examinées par une Conférence fédérale-provinciale, les Premiers ministres provinciaux et moi-même à l'automne. Vers ce moment-là nous attendons le rapport de la Commission Pépin-Robarts. Alors lorsque nous présenterons devant la prochaine session du Parlement des propositions d'amendement constitutionnels sous forme d'un projet de loi nous aurons eu l'opinion du Parlement fédéral, l'opinion de ce comité de la Chambre des Communes et du Sénat, nous aurons eu l'opinion des Premiers ministres et nous aurons l'opinion de la Commission Pépin-Robarts. A ce moment là, devant toutes ces opinions éclairées qui reflèteront des opinions sans doute un peu diverses sur le projet de loi que nous déposerons plus tard ce mois-ci, nous pourrions dire bon maintenant que nous avons l'opinion de tout le monde y compris celle de la Commission Pépin-Robarts, rédigeons un projet de loi que nous déposerons à la Chambre des Communes à la prochaine session afin qu'il soit adopté par ce Parlement, par cette Chambre des Communes, et par le Sénat avant le 1er juillet de l'an prochain. Alors autrement dit, si nous avions eu un premier rapport de la Commission Robarts le mois dernier nous aurions pu en tenir compte dans le projet de loi que nous avons devant la Chambre des Communes, mais ce projet de loi encore une fois reflète la politique gouvernementale bien sur mais ne sera pas le texte exact de celui que nous déposerons à la prochaine session. Ce texte exact de la prochaine session pourra être instruit des opinions de tous ces groupes dont je vous ai parlé.

CATHERINE BERGMAN (RADIO CANADA)

Q. Dans la seconde étape de votre programme, vous devrez négocier avec les provinces et vous devrez à toutes fins pratiques obtenir leur unanimité. Dans la première vous n'en avez pas besoin, vous pouvez procéder unilatéralement mais vous allez vous chercher un consensus mais tout de même si vous n'avez pas de consensus vous irez de l'avant. Est-ce que vous ne craignez pas que si vous êtes obligé d'en venir là, c'est à dire d'aller de l'avant même sans consensus pour la première étape, la seconde sera un échec et en supplémentaire a cela dans ces circonstances là qu'est-ce que cela entraîne pour les perspectives d'élection en ce moment-là?

R. Eh bien je pense qu'il est un peu trop tôt pour parler d'échec. Nous pensons encore une fois que la proposition de lois que nous allons déposer à la Chambre des Communes ainsi que les paragraphes dans le livre blanc que vous avez sur la réforme constitutionnelle reflètent, on l'a dit tout à l'heure dans une question, presque des liens communs. Ce sont des idées qui circulent depuis très longtemps et j'espère qu'un consensus se développera. Si on ne trouve pas l'accord, l'unanimité de toutes les provinces sur une action à suivre, cela ne veut pas dire qu'on ne peut pas agir, c'est lorsque nous essayons d'avoir un projet de loi de juridiction fédérale et que nous négocions avec les provinces. Par exemple, la loi sur les eaux canadiennes. On a rédigé un projet de loi après consultation de toutes les provinces, finalement on a déposé un projet de loi, c'est de notre juridiction. Certaines provinces ont certaines réserves sur un petit article ici, d'autres un petit article là. Mais il reste en fin de journée, le gouvernement fédéral doit prendre ses responsabilités et légiférer sur les eaux canadiennes qui sont de sa juridiction. Ca ne veut pas dire que toutes les provinces sont fâchées parce qu'on a pas fait tout ce que contradictoirement elles veulent qu'on fasse. Ca veut dire qu'à un moment donné le gouvernement fédéral va prendre ses responsabilités et nous sommes décidés de le faire dans la zone de

notre juri diction et je ne vois pas pourquoi nous devrions crier à l'insuccès parce que nous n'avons pas trouvé l'unanimité de toutes les provinces pour une action qui est au fond de juri diction fédérale. Pour ce qui est des élections, vous me demandez quelles conséquences cela peut avoir. Je ne sais pas. On verra. Je l'ai dit à la Chambre des Communes nous ne voulons pas faire de ce projet de loi une matière partisane, tant mieux si l'Opposition nous dit: ah, nous avez pris toutes nos idées, vous avez volé nos idées sur telle ou telle réforme. Je dirai: peut-être mais vous avez peut-être aussi puisé dans le livre blanc que nous avons déposé en 1969 et ainsi on peut remonter au gouvernement antérieur. Tant mieux s'il y a un consensus à la Chambre des Communes et tant mieux si l'élection n'est pas un choix entre deux partis, l'un qui propose une réforme constitutionnelle et l'autre qui veut rester dans le statut quo.

PAUL LONGPRE (LA PRESSE)

Q. Monsieur le Premier ministre, le projet de loi de vous déposerez très bientôt en Chambre va mettre en pratique les idées contenues dans ce document-ci. C'est à dire que le deuxième projet de loi dont vous avez parlé il y a un moment, lui aurait trait uniquement à la phase II.

R. Pardon, le deuxième projet de loi sera le projet de loi que nous aurons déposé à cette session qui se termine nous l'espérons le 30 juin. Alors le deuxième projet de loi n'est qu'une reprise du premier mais revue et corrigé après l'"input" des provinces, de Pépin-Robarts, etc.

Q. Ce qui veut dire que ce projet de loi-là n'arriverait pas à l'étude en comité plénier ou à l'étude article par article avant que n'aient eu lieu et la Conférence des Premiers ministres et le dépôt de la Commission Robarts.

R. Parfaitement, à moins encore une fois que cette Commission ne reporte son rapport aux calendes grecques, ce qui n'est pas prévue. Mais à supposer qu'ils déposent leur rapport avant la fin de l'automne alors nous pourrions en tenir compte dans le deuxième projet de loi, c'est à dire dans la revision et la correction du premier.

MICHAEL DUFFY (CBC . TV News): Mr. Prime Minister, the role of the monarch as the "Head of State" for Canada, has not received a large discussion in the White Paper. Could you assure Canadians that the Queen will continue as the Head of State under the constitution which you envisage being created as a result of this exercise?

A. Yes. That is stated quite clearly in the Bill that we will be presenting to the House of Commons. Canada will remain a constitutional monarchy and the Queen of Canada will remain the head of this constitutional monarchy.

PAUL WHITELAW (FP Publications): My question has been asked.

Thank you. Mr. Prime Minister.

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JEAN BEDARD (RADIO CANADA): Ma première question est d'ordre assez général.

Vous avez dit, M. Trudeau, que les propositions que vous alliez faire avaient été des propositions que le Gouvernement fédéral pouvait apporter unilatéralement, de son propre chef, sans l'accord des provinces. Et à jeter un coup d'oeil à bon nombre d'éléments là-dedans qui ne peuvent être mis en pratique avec l'accord des provinces et des lois provinciales, est-ce que ce serait possible de savoir finalement ce qu'il est possible au Gouvernement fédéral de faire avec ce projet de loi là? Jusqu'où peuvent aller les changements qu'il peut apporter lui-même de son propre chef?

R.: Eh bien tous les articles du projet de loi qui ne sont pas marqués d'une astérisque peuvent être légiférés par le Gouvernement fédéral agissant seul.

JEAN BEDARD: Pour les droits linguistiques, par exemple, je vous donne l'exemple des droits linguistiques en ce qui concerne l'enseignement, que peut faire le Gouvernement fédéral sur ces questions-là tant que les provinces n'ont pas accepté, elles, la même chose?

R.: Il y a, en plus des items marqués d'astérisques, certains items qui peuvent lier le Gouvernement fédéral et les provinces, si les provinces acceptent. Autrement dit, il y a trois catégories d'articles: les premiers sont ceux que le Gouvernement fédéral, agissant seul, peut amender sans aller à Westminster; la deuxième catégorie, ce sont des sujets qui affectent et le Gouvernement fédéral et les gouvernements des provinces. Le Gouvernement fédéral peut passer cette loi-là en ce qui concerne l'action des articles sur le Gouvernement fédéral. Par exemple, la déclaration de buts et d'objectifs de la Constitution, pour autant que nous adoptons cette loi, cette déclaration nous liera, nous; elle ne liera les provinces qu'à partir du moment où elles choisissent d'être liées par ces



articles. Mais le même article a une double obligation, si je peux dire: il peut s'appliquer au Gouvernement fédéral seul, et dans ce sens-là la loi sera notre loi, mais cet article peut également lier les provinces si elles acceptent d'être liées. Alors c'est la deuxième catégorie. La troisième catégorie, ce sont les articles, et ceux-là sont marqués d'une astérisque, qu'on ne peut pas légiférer sans le consentement des provinces et c'est, par exemple, l'article 92 sur lequel on ne fait que répéter l'article 92 qui existe dans la Constitution actuelle et il n'est pas possible pour le Gouvernement fédéral, simplement par une loi du Parlement fédéral, de dire: eh bien, nous allons enlever aux provinces la juridiction sur les droits civils et nous l'approprier. Alors, est-ce que vous voyez bien les trois catégories?

JEAN BEDARD: Si je comprends bien, pour à peu près 90% du projet de loi, vous vous êtes substitué pour l'instant aux provinces.

R.: On s'est substitué?

JEAN BEDARD: Vous vous êtes substitué aux provinces.

R.: Je ne comprends pas comment vous arrivez à ce pourcentage. Il est certain que le Gouvernement du Canada peut amender sa propre Constitution de la même façon que les provinces peuvent amender leur propre Constitution, en vertu de l'article 92, premier paragraphe. Alors, bien sûr, une constitution, ça comprend beaucoup de choses. Et quand on parle de notre Constitution, on peut faire beaucoup de choses, en fait tout ce qui est permis par l'article 91, premier paragraphe, qui dit que le Gouvernement du Canada, ça a été adopté par le gouvernement de M. Saint-Laurent en 1949, peut amender sa propre Constitution excepté en ce qui concerne un certain nombre de choses. Et ce certain nombre de choses, c'est l'article 92, ce sont les droits de l'éducation, c'est l'obligation d'avoir un parlement au moins tous les douze mois, etc. Pour ces choses-là, nous ne pouvons pas amender notre Constitution. Mais pour le reste, M. Saint-Laurent avec beaucoup d'à-propos, est allé à Londres et a dit: les choses qui nous concernent, nous, qui concernent les provinces, nous voulons avoir le droit de les amender et le Parlement

britannique s'est départi du droit d'amender ces choses-là en ce qui concerne la Constitution canadienne. De la même façon que depuis 1867, les provinces pouvaient amender leur Constitution. Dans tous les secteurs, dans tous les domaines, sauf en ce qui concerne le poste du Lieutenant-Gouverneur. Alors au fond; ce que M. Saint-Laurent a fait en 49, c'est de donner au Gouvernement fédéral le pouvoir sur sa Constitution que les provinces avaient depuis 1867.. Vous comprenez?

GEORGE RADWANSKI (FINANCIAL TIMES):

I have a two part question, sir, on the House of Federation. The first part is: how will you justify to your own party a format which will more or less reduce the Liberals...well, I should say reduce the Liberals more or less permanently to a minority status in the Upper Chamber and do you expect any serious difficulty from your own party in that regard. And, the second part of the question is: given your own often expressed concern about the slowness of the legislative process, are you not concerned of the kind of format you have in which a government of either party is likely to have minority status in the Upper Chamber is going to lead to a situation where a great deal, if not most legislation, could end up being blocked in the Upper Chamber for two months and slow the whole legislative process down that way?

A: Well, on your first point, let me make it clear that we are trying to write a constitution for Canada and not for the Liberal Party. And, our aim is not to entrench the Liberal Party in any part of the country. It is to provide a constitution for hopefully the next many decades or generations for Canada and I do not think considerations relative to the strengths or weakness of the Liberal Party or, for that matter, the Tory party, in any part of Canada should be kept in mind when trying to devise a better constitution.

Now, your second question has to do with slowness of legislation. Yes, that is true. There will be a bit of a trade-off by providing a second Chamber, a House of the Federation which conceivably

and certainly under the present situation would result in a majority of its members being opposed to the government party, we do risk seeing government legislation delayed but that is the risk we are taking and that is the path we are following because we have resolved to insure that the regions, the provinces, the people of the various parts of Canada would feel truly represented in the federal parliament.

Right now, as has been pointed out that under the party system, regions can be represented through ministers in Cabinet and through members in Caucus but when it comes to a vote we generally vote along party lines and the regions, rightly or wrongly feel alienated from the parliamentary process. By providing their presence in the second chamber, in the House of the Federation, we hope to diminish and perhaps did diminish considerably that feeling of alienation. We have gone the route of most federations which do have a second chamber which does provide for some form of representation based on the regions and this has been our choice. It may slow down some legislation, as you say but, if it can do away with the feelings of alienation, and feelings of not being consulted about everything and anything, it may in the end result provide for a more efficient parliament rather than a less efficient one. Right now under many headings of legislation or of federal action we go to very great lengths to consult each and every one of the provinces before even introducing a Bill. Well, if the provinces or the regions in some way can have their spokesmen in the second chamber hopefully, we will be saving some time at one end if we are losing a bit at the other.

George Radwanski: One supplementary if I may: a very quick one on another subject; why have you decided in the areas that are under federal jurisdiction against going all the way to entrenchment via Westminster and have decided instead to leave it until such time as all the provinces agree on those areas that are in your own jurisdiction?

A: Entrenchment by Westminster.

George Radwanski: Well, going all the way...

A: What you are really saying, if I understand you, or if you understand yourself is that we should go to Westminster and say they

should take some powers away from us to amend our own constitution without us having an amending procedure. In other words, we would go to Westminster and ask them to legislate to take some powers away from the federal government and then some day, as Mr. St. Laurent did in '49 go back and say give us back these powers. You know, your proposition is it seems to me a form of returning to colonial status and we certainly don't want to do that. What can be done is go to Westminster and ask them once and for all to abolish their right to legislate for Canada and then everything could be entrenched in the constitution but we don't want to do that until there is an amending procedure.

Charles Lynch, (Southam News Services): Sir, two technical questions and one political one: what happens to present Senators who may feel that the country has a commitment to them and will the Chief Justice cease to be the administrator in the case of the incapacity of the Governor-General. There seems to be some vagueness about the status of the office of administrator and I have one other question which I will ask after.

A: Well on the second question, no, in the case of illness of the Governor-General, an incapacity to act or whatever, the Chief Justice still keeps his function as administrator. I believe what you may have in your mind is the fact that we are also setting up an administrator in the case of the Lieutenant Governor of the provinces because under the present constitution if the Lieutenant Governor dies there can be no administrator and no bills can be signed and no dissolution can be obtained and no speech from the throne can be read until a new Lieutenant Governor has been named and therefore we are providing for an administrator in these cases to bridge the temporary gap between Lieutenant Governors.

On your first question about what happens to the present Senators. Well, I suppose when the new House of the federation comes into place there are going to be some appointments of members of that House of the Federation and some of the present Senators may be reappointed to that House. Hopefully, a good number of them

because there are a lot of able men and women in that second chamber and I would hope that a lot of them will find their place in the second chamber but obviously it is not likely that all will and what I would intend would be, if the opposition agrees, because I don't think this should be made a partisan question but what I would intend is to set up some kind of a blue ribbon committee which would recommend to the government action as regards these people. I think if the government sort of gave them very generous pensions there might be criticism. If it was too ungenerous there probably would be justifiable criticism because a lot of these people entered the Senate with the intention of making it a career with acquired rights, grandfather rights, I guess the expression is justifiable or grandmother rights until the age of 75 including some who are still there who have rights until death so they have some acquired rights and they must be dealt with fairly and it would be my intention unless some better suggestion is forthcoming to set up such a very highly respected commission to recommend to the government how these rights should be in a sense compensated in the case of those Senators who would not re-enter the House of the Federation. You will recall it is the kind of problem which had to be resolved some years ago when Quebec abolished its legislative council and I'm sure it happened too when other provinces in previous decades abolished their legislative councils.

Charles Lynch: The other question has to do with your target date of July 1st, 1979. I know you don't like to entertain any question that mentions an election possibility but it is impossible to have such a target date and not at least speculate on what your thinking is about when you are going to have your election. Will you have it before that target date or after?

A: I don't know. I can just tell you quite frankly that that target date had been set in my mind many months ago at which time it was possible that we would have had an election even now. It might have been over at this time and and that would have been the target date I presumably would have talked to the people



about during an election. So, now everyone can breath easily, I'm not talking about that date during an election. Hopefully it can be looked at realistically and progress can be made. I have no idea. If there is an election in the fall or the spring, well, I think that target date still can be met.

Charles Lynch: Do you anticipate being Prime Minister when the legislation is enacted?

A: In July 1981?

Charles Lynch: No. In 1979.

A: 1979. Well, as you know, under the present constitution I can still be Prime Minister even some short period beyond that date so it is very conceivable that I will remain Prime Minister until then even without an election.

Richard Gwyn, (Toronto Star): Two questions, Mr. Prime Minister: the first one will be a small one; will you commit yourself to appoint no more Senators so that you do not create any eleventh hour grandfathers?

A: To appoint?

Richard Gwyn: More Senators. Will you commit yourself to appointing no more Senators to avoid creating eleventh hour grandfathers?

A: Well I don't think just off the bat I would make that commitment but I would think that if Senators were appointed now, they might have to accept or not accept realizing maybe they will not acquire grandfather rights. That might be one way of approaching it.

Richard Gwyn: Why was the head of state not advised (he, of course, was at no time consulted) on the substantive changes in her prerogatives before the Bill was printed?

A: Well I believe you are incorrect in your facts there. There are no prerogatives changed by this Bill. The prerogatives which are now exercisable by the Governor General and which previously had been exercisable by Her Majesty or His Majesty were transferred to the Governor General at various times since 1949 and the last...

some were in 1972, for instance. Some were in Mackenzie King's day and some were as recently as last December so we are not changing these prerogatives. The same prerogatives which were exercisable in December by the Governor General will be exercisable when this new Bill becomes law. Insofar as informing Her Majesty, of course she was informed last October by me as to what was going to happen in December and she was informed just last week by our Minister of Justice, Mr. Basford, who went to London on purpose to inform Her Majesty of the provisions of this Bill. Advice was not given, and I think I use the word advisedly because we were not asking her to abandon any prerogatives. We were not advising her of anything which was not already done so we were informing her of a Bill which was going to put into the constitution the practice which already exists and furthermore, this bill we have said, though it reflects government policy, may be changed in various fashions when it is reintroduced in the next session of parliament after consultation with the provinces, with a joint Committee of the House and the Senate and so on. At that time if there is need for advice, Her Majesty will be advised but I don't see off hand on what sections of the Bill advice would be needed, but if it is needed it will be given.

Claude Hénault (Gazette): In your material on the House of the Federation you are in effect almost saying that a representative group representing approximately the same balance as the legislature or the national assembly of each province would be appointed as a provincial representation but in the constitutional dealings that we have nowadays, you don't deal with the legislature, you deal with the government. What makes you think the provinces are going to accept moving a part of their being into Ottawa and then that people who normally are excluded from the federal process are now being loaded in. In other words what makes you think you can sell this to provinces as opposed to the idea of their choosing exclusively from the governing party the representatives that would be sent there?

A: Well, it depends on their intention of course but in my understanding of provincial governments' attitude on this is that they feel that in many areas they are the spokesmen for the provinces even in areas of federal jurisdiction. You know, some provinces have said for instance, we want to name people on the federal Wheat Board even though it is clearly a federal board, we want to be advised and we want to appoint people to it. I take it that their rationale is not that they are seeking to grab federal powers or to extend their empires. I take it that their point of view is that the provinces do not feel the regions, the people of the provinces do not feel sufficiently represented in Ottawa because of what I was saying, the party system and the accident that there are few Tories in Quebec and there are few Liberals in Alberta and the political realities of the day and what I am hoping as a result of this change is that the regions will have their spokesmen in the Second Chamber and that the debate there about whether such and such a piece of legislation or such and such a policy of <sup>the</sup> government truly reflects not only the national goals but also the regional goals, the debate will take place there and that the provincial premiers will get back to their role which is to govern their provinces within areas of provincial jurisdiction.

Claude Hénault: That escapes the point. Would you not accomplish the same thing by having the governing power select its provincial representatives from among its own party. Why are you insisting on a representation according to the popular vote. It seems to me you are making life difficult for yourself by suggesting something that is politically unpalatable.

A: Well, that is more or less the question I dealt with in answering Mr. Radwanski. If, for instance as concerned shall we say the five Senators, shall we say from Alberta named by supposedly in the provincial allocation, if we were to designate them, chances are we might try to designate Liberals rather than Conservatives or NDP or Social Crediters and then could we honestly say that the Liberals we designate represent the feelings of the province at any

given time. They would probably answer that they don't any more than the Senators that we appoint now from that Province are recognized by certainly the provincial governments and perhaps by much of the public opinion as spokesmen for that area. You know, I wish they are and I think they are and I have consulted them as though they were. You know, I have Senators, Liberal Senators from Alberta who have been extremely useful to me but I think it is not exaggerated to say that Mr. Lougheed does not consider them to be true spokesmen for Alberta and it is an attempt to meet that difficulty that I made these proposed changes.

Claude Hénault: One fast one: then wouldn't it be logical in the international arena to make our international delegation composed of the same kind of representivity, that is, Liberals, Conservatives and NDP?

A: What international delegations?

Claude Hénault: The United Nations.

A: Well, we do. We send to the United Nations, we send Members of Parliament from all parties at the General Assembly.

John Urcuhart (Dow Jones) : I was wondering what reaction you expect from the government of Quebec and also <sup>from</sup> the opposition party in Quebec. This is specifically with regard to the language rights and language safeguards.

A: I cannot say. As regards educational rights, I would think <sup>that</sup> at least the opposition parties would be happy with them because they do guarantee to the official language minorities that they will be able to be educated in schools of their language and I would think very much that at least Mr. Ryan thinks that. I'm not sure about Mr. Levesque but possibly he would be happy too because Bill 101 does not take away from the English speaking minority in Quebec now, the right to send their kids to English schools. It certainly doesn't go far enough in that it affects rights of English moving into Quebec from other provinces and our amendment would certainly protect those rights but I, you know, I can't speculate on what Mr. Levesque is going to say. If last week's response is any guidance, I just refer you to what he said even before having read the White Paper that it was nonsense.

FRANCINE BASTIEN (RADIO-CANADA): M. le Premier ministre, vous nous avez rappelé la semaine dernière, en présentant votre Livre blanc, qu'il s'agissait de la troisième tentative de réforme constitutionnelle. Aujourd'hui, on se trouve devant le projet de loi comme tel. Sans être prophète de malheur, s'il s'avérait qu'il ne ralliait pas le consensus que vous désirez de la part des provinces, est-ce que vous seriez prêt à considérer cette tentative comme la dernière, allant même jusqu'à quitter la vie politique ou si vous iriez de l'avant avec la phase II de votre projet?

R.: Eh bien, tel que le projet est rédigé, comme je l'expliquais tout à l'heure en réponse à la première question, nous pouvons, sans le consentement des provinces, faire, ce que M. Bédard décrivait, comme une constitution à 90% nouvelle. Et si on réussit à ce point-là il me semble que ce n'est pas la peine de quitter la vie politique pour un échec de 10%.

CLAUDE TURCOTTE (LE DEVOIR) : Ma question est d'ordre linguistique supplémentaire à l'avant-dernière qui a été posée. Je lis dans le petit livret ici à propos de la faculté de choix. On dit: cette faculté de choix ne s'appliquerait pas à ceux qui ne sont pas citoyens canadiens ni aux citoyens appartenant à la majorité de langue officielle. Cela veut dire, cela me paraît être un changement de politique sur les principes que vous avez défendus dans le passé ou alors j'ai mal compris. J'aimerais que vous vous expliquiez...

R.: Non, vous n'avez pas mal compris. Mais je pense que vous avez fait une confusion entre les principes politiques d'ordre général et la protection constitutionnelle. Lorsque nous protégeons les droits fondamentaux, nous protégeons les droits fondamentaux et nous n'essayons pas de couvrir tous les droits supplémentaires. Ce que nous avons voulu faire dans cette déclaration des droits fondamentaux, c'est de protéger les droits des minorités. Nous n'essayons pas de dire aux majorités ce qu'elles devraient vouloir pour elles-mêmes. Alors c'est pourquoi nous protégeons la liberté de choix des minorités de langue officielle, dans le domaine de l'éducation, puisque c'est cela qui vous intéresse, dans chacune des provinces. Mais si la



majorité veut se départir de certains droits, par voie de législation, je regrette, ce serait contre mes principes, mais je n'essaie pas de dicter aux majorités ce qui est bon pour elles. Elles n'ont pas besoin, autrement dit, de la protection constitutionnelle. Mais les principes restent tout à fait comme vous les avez décrits. Mais encore une fois, un instrument de protection des droits fondamentaux s'attache dans notre optique à protéger les droits des minorités, pas ceux des majorités.

Bob Lewis (McLeans): Prime Minister, setting aside the well known views of the province of Quebec for the purposes of this question, I wonder if you would agree perhaps the most important and difficult provinces to gain acceptance from on these proposals would be Alberta, Manitoba and Ontario. Alberta for reasons as you indicate, Premier Lougheed obviously is not all that keen about the idea of a House of the Federation. In Manitoba we seem to have a resistance to the whole idea of protection of minority language rights and there is a certain ambivalence obviously in Ontario on the part of Premier Davis about the same question. Are those the three key ones?

A: I think they are in different categories. For instance, as regards the Bill of Rights I repeat we can adopt that Bill of Rights, constitutionalize it without the agreement of the provinces and it will bind the federal government, it will only bind those provinces that want to be bound. It will not bind those provinces that don't want to be bound and as I said in this room last week about the White Paper I hope that would set up a political dynamic which would lead opposition parties if not the government to say we want an entrenched Bill of Rights. We want to constitutionalize the Bill <sup>of</sup> Rights. Now it's just possible that the provinces you mention would want to be bound because there is a very big quid pro quo for the provinces in this and you may have noticed that once the province is bound we take away from ourselves the right of disallowance or reservation for those particular provinces that opt into the Bill of Rights and this is I think a fairly important incentive, so that's one category where we can be bound and not the provinces but

when you are talking about the Senate, naturally we're going to have a federal provincial conference in the fall. We are going to have a great deal of consultation. We are going to listen to Pepin Robarts and so on but at some point we can legislate as regards the Senate without provincial consent. I hope that we will find a consensus but certainly the disagreements say of one or two provinces would not prevent us from legislating. It's more important that we get all parties in the House of Commons on our side on this and in this regard I am quite hopeful because the Tories themselves have proposed a House of the Provinces as they call it which would go even farther than we go in giving provincial representation so maybe I will let Mr. Clark argue this out with Mr. Lougheed and hopefully they will reach an agreement which will make it easier for us to proceed in the House.

Bob Lewis: A brief supplementary if I may: What do you suggest we call these people. We have MP's, Senators, MHA's, MNA's, what do you propose we call these people who are members of the House of the Federation.

A: I'm sure you have an answer for that.

Bob Lewis: Somebodies?

A: Fedoras. You didn't hear it first here. I want to make that clear.

Bob Lewis: I did?

A: Did you. Sorry.

Mark Phillips (CBC): ON the matter that you raised about the political dynamic, the reaction of the premiers last week, at least those that were gathered in New Hampshire from the east was that (and I think from the rest of the country as well) was that while they were quite willing and again with the exception of Quebec as well, while they were quite willing to begin discussion again on constitutional proposals, they would have preferred to have been consulted before legislation was presented. In terms of the continuing discussions do you anticipate this Bill which you presented might in fact act as a hindrance?

A: Well, they were consulted. I spent two months in the

fall talking to each and every province about the substance of this Bill. Phase One and I even talked about Phase Two which isn't even in this Bill so they were consulted many months ago. Now this is over and above, I suppose, the half a dozen white papers which have been printed by the federal government on the subject, over and above the many, many letters that I have sent to all the premiers between '75 and '77 and over and above, of course, everything which went into Victoria. Now, I'm not suggesting that this Bill doesn't go quite a bit further than Victoria but when you add all those things together, our white papers, Victoria, my many letters to the premiers, discussions we have had here in Ottawa, many of these things have been considered in one way or another. Add to that the fact that through all of last week various regional ministers have seen everyone of the premiers who wanted to be seen. I believe there were only two exceptions to that and they sent other ministers. They explained in very great detail what was going to be in the Bill so there has been consultation for years and I would be very surprised if the premiers knowing that this Bill is here for first reading knowing that we intend to act by July of next year only in areas of federal jurisdiction, I would be very surprised if they come to the fall conference of First Ministers and say well, we haven't had time to think about these things. They have been thinking about them hopefully for at least ten years and hopefully in ten weeks they'll be able to make up their minds on what they have been thinking about for ten years.

JEAN-MARC POLIQUIN (RADIO-CANADA): Je voudrais savoir si l'article 2 du bill qui consacre l'union fédérative de 1867 rend inutile le référendum du M. Lévesque et même, par ricochet peut-être, met le P.Q. hors-la-loi puisqu'il se trouve à poursuivre un objectif qui est interdit par l'article 2.

R.: Eh bien, encore une fois, pour ce qui est des objectifs de la Constitution canadienne, cela ne liera les provinces qu'à partir du moment où elles acceptent d'être liées. Mais le référendum dont vous parlez est un processus para-constitutionnel, si je peux dire. Tout le monde est d'accord, y compris le Gouvernement du Québec, que même si le P.Q. gagnait le référendum, ce qu'à Dieu ne plaise, cela ne change pas la Constitution. Ce Gouvernement devra s'asseoir et proposer de quelle manière il se propose de se séparer du reste du Canada et quelle sorte d'association il veut faire. Alors la Constitution est faite encore une fois pour un Canada uni, un Canada fédératif qui continue. Le référendum arrive un peu comme un processus politique qui n'a aucun effet constitutionnel, mais qui pourrait déclencher des discussions politiques.

George Bain (Toronto Star): I have a question Prime Minister in a rather less elevated area: in an answer to Robert Stanfield yesterday on the Treu Case you made two points, one that you wish those who are writing abundantly about it had thought to ask questions and the other that the contracts in question were unclassified. Now, the first of those was wide enough of the facts as to leave some question as to how deeply you have been able to inform yourself about the second. Since you now say that all this subject matter is unclassified, could some of us who would like to ask questions see the documentation?

A: I said that the contracts put by NATO to Mr. Treu in the period after which he left Northern Electric were not on classified subjects and I have no objection to you seeing them. You ask NATO. They weren't put by me and they weren't put by this government. They were contracts, as I understand it, put out by NATO and my

information is that they were put out by NATO as unclassified work. Now you may be saying once the work is done and it comes back to NATO it may be classified. This is a matter I dealt with in the House in answer to Mr. Baldwin but it seems to me that doesn't prove anything at all. You know, do you have information that the contracts put out by NATO were classified. If so, you have been wrongly informed.

George Bain: Since they are unclassified I would like to have a look at them and the knowledge must be in the possession of the Canadian Government. I wrote a letter on May 25...

A: They are not in the possession of the Canadian government. They came from NATO to Mr. Treu.

George Bain: I wrote a letter on May 25th to the NATO Maintenance and Supply Agency in Luxemburg. I received an answer from Major General H. Gench who says, among other things, that I understand that the NATO Industrial Security Section is cognizant of the matter and I suggest that you may wish to contact them through the Canadian national authorities. As the most senior of those Canadian national authorities would you instruct the Department of Supply and Services to let me look at the files on this.

A: If they have the authority from NATO to do it, as your letter seems to indicate, I'm sure they would want to make sure that authority that was writing you is authorized to say they are unclassified, that we can show them. I would think it should be NATO to give to you things that they say are unclassified. I have no objection to ask, is it Supply and Services or DND, if they are properly authorized by NATO, to show you copies of what is not classified.

Stewart Langford( ) I would like to elevate the questions again: I am interested in 106, section 106 and section 107 which as you probably know are the provisions for appointing judges. 106 being the interprovincial-federal relation and the other one



being the new House's look at it. Will those be public. Will the proceedings under 106 and 107 be in public.

A: I shouldn't think they will automatically but I have no doubt that they will be made public once they go to the House of the Federation and the House of the Federation is called upon to approve an appointment that obviously becomes public. Now, at the earlier stages, when the Attorney -General of the province or of the provinces, as the case may be, is discussing names with Ottawa, I certainly would not want to make it public but it more than likely than not will become public if ten Attorneys-General are involved. I think there is not a question of security here. It is a question of not embarrassing people whose names you are discussing and then the province may want to object to.

Stewart Langford: That is precisely what I was thinking of.

Wouldn't it be worse if it came out in a kind of guess who didn't get appointed to the Supreme Court way?

A: It would be embarrassing and for that reason I think it would proceed as it proceeds now when I appoint a Lieutenant Governor for instance. I have made it the practice, though it's not the law, that I didn't appoint Lieutenant Governors before talking to the premier of a province and I discuss names with them and in every case except one, those names have been kept secret by the premier of the province. The only exception is Mr. Levesque.

Stewart Langford: One quick follow-up: what about the principle of the best and the brightest. I'm a little worried about four from Quebec and one from Manitoba or one from the Prairies and one from Ontario. You know, what happens if B.C. has five excellent judges, excellent possibilities that we lose some of them. Is that a problem that you have examined?

A: Well, I think the way the provision is written now does provide for a maximum flexibility in this regard. There are eleven to be named, four have to be from the Civil Law province of Quebec. That leaves seven. The only provision is that there be one from the Atlantic, one from Ontario, one from the Prairies and

one from B.C. which leaves three to be named amongst the best and the brightest in whatever province happens to have better and brighter appointees to the Supreme Court of Canada.

Geoff Ramin (CKO): Mr. Prime Minister I wanted to ask you about Section 72 regarding giving Quebec four new seats with every census every ten years. I was wondering if you would explain the reasoning for this and what you expect, what reaction you expect from the opposition party which as you know, are weakened in Quebec and also the provinces, what kind of reaction you expect from both.

A: What is the section you are referring to?

Geoff Ramin: 72(1).

A: What does it say?

Geoff Ramin: It is regarding assigning four new seats to Quebec every ten years with each census.

A: Well this I believe is just a translation into the constitution of the present electoral law. And this, as you know, was brought in as a result of very lengthy negotiation in the House of Commons before that electoral law was brought in. There have been various formula adopted since 1867 on assuring some form of rep by pop in the House of Commons. Rep by pop as regards the province, not as regards party affiliations and this is the latest in the series and it is the one that is current now.

Geoff Ramin: Nothing about whether the population increases or decreases. It just says automatically every ten years Quebec will get four new seats.

A: Well that is the present situation that there are four new seats and the population goes up everywhere and everyone is adjusted. It is a relevant matter, a relevant subject and it means that the House of Commons will continue to grow until this section is amended but it is that each province will be represented in the House of Commons proportionate to its population which is not the case with the House of Federation of course where there is representation not on the basis of population.

Released  
at 4 00 p.m.

NORMAN FETTERLEY (CFTO-TV): Mr. Prime Minister, the government has had approximately a week now to look at the telex from Premier Davis of Ontario over the construction workers' dispute involving Quebec. I wonder if you are prepared at this time to tell us whether or not there will be federal intervention as Mr. Davis has asked for.

A. There is still no final word from Justice, though I did discuss it with some people from Justice. They are looking at the question whether the regulation and actions by Quebec are likely to be judged intra vires or ultra vires, constitutional or unconstitutional. I must say that there are arguments on both sides. I cannot say or tell you what the final opinion will be, and for the time being I cannot report what the government's view of these regulations is. Having looked at the situation, it is obviously more complex than appears from just the superficial indignation that we all feel when Canadians cannot work in one part of Canada and do not feel free to move from one part of Canada to another. The Federal Government, as you know, has mobility programs which encourage workers to go where there are jobs.

Certainly at first blush this policy does not seem one which is acceptable to Canadians. As you know, in our constitutional proposals among the fundamental rights of Canadians we have included the fundamental right to move to and work in any part of Canada. So once again, at first blush this action is very unpleasant, but when you scratch a little bit you understand the situation is not so simple.

Indeed, as I said in the House many days ago, the Ontario Minister of Labour and the Quebec Minister of Labour have been working on this. There are offers which I understand have been made by Quebec which have not been accepted by Ontario. That might change a little bit the nature of the situation.

So before, you know, telling Ontario: "You

cannot do anything more, we will go to the courts", I have asked to be informed about the nature of the negotiations and to see if indeed there had been some reasonable possibility of compromise. And superficially, it seems to me that there are grounds for compromise, and it seems to me that Quebec have made some offers which are worth considering. But I don't know what Ontario's answer was, and I have asked my officials and some of my Ministers to try and get a complete picture of this.

For the time being I think it would be safest to say that from the knowledge I have of the case now it seems to be the kind of problem which should be settled by negotiation between Mr. Davis and Mr. Levesque, or between the Ministers of Labour. The problem does not seem insoluble to me, and rather than go through the court process which may or may not prove successful, I would think that the parties should get back together and try and negotiate a settlement of that. It is, of course, within provincial jurisdiction in terms of labour legislation and the contractual law, but the Federal Government is prepared to offer its good services to bring the parties together and try and find a reasonable out of court solution. It certainly cannot be allowed to fester because then various provinces will take various measures and the whole thing might escalate. It is not only Quebec and Ontario, but there are other frontiers between Quebec and other provinces. Certainly if the provinces cannot solve it between themselves, we will have a greater argument to have them accept out constitutional proposals entrenching in the constitution this basic freedom of movement. But the administrative problem is not as simple as the basic right, but once again I think there is room for compromise.

MICHEL GUENARD (TVA) M. le Premier ministre, en regard des intentions que vous avez exprimées dans le discours du Trône, est-ce que vous pourriez nous tracer un bilan des travaux législatifs à la veille de l'ajournement pour la période estivale?

R. Les bilans des travaux à venir ou ...

Q. Les travaux qui ont eux lieu.

R. Eh bien, nous avons présenté quelque chose comme 67 projets de loi à la suite du discours du Trône, quelque chose comme la moitié<sup>aura</sup> été passée par les deux chambres, adoptée par le parlement. Je dis "quelque chose comme" parce que le compte final, on le saura seulement à la fin de la journée, lorsque le Sénat lui-même aura agi, mais disons que la moitié des mesures proposées par le gouvernement ont été adoptées. Parmi ces mesures, il y en a de fort importantes. Malheureusement, parmi celles que la Chambre n'a pas eu le temps, n'a pas cru bon d'adopter, il y en a aussi plusieurs de fort importantes, y compris plusieurs projets de loi qui ont été présentés soit avant Noël, soit avant Pâques et qui normalement auraient dû être acceptés par la Chambre. Comme vous le savez, la Chambre a décidé tant avant Noël que depuis de passer - je dis la Chambre, les partis d'opposition - d'avoir des filibusters, de parler très longuement sur certains projets financiers, certaines mesures budgétaires qui ont pris beaucoup de temps. Comme d'habitude, je pense que la Chambre aurait pu faire mieux, mais que le compte final au fond, n'est pas mauvais. Est-ce qu'on en tirera des arguments pour avoir des règlements de la Chambre qui permettront d'avoir une administration plus efficace des affaires de la Chambre, j'espère qu'on finira toujours par tirer cette conclusion. Vous savez que le gouvernement a eu recours à quelques reprises à des mesures connues sous le chiffre 75, pour permettre l'accélération des affaires, mais c'est toujours très encombrant de procéder comme cela. Parmi les mesures adoptées,



j'en ai émis une liste que je pourrais relire, mais je pense que parmi les plus significatives, il y a celle relative au pipeline du Grand Nord, il y a des mesures relativement à l'usage de la langue anglaise ou française devant les tribunaux partout au Canada<sup>dans</sup> les matières d'instance criminelle, législation à l'avantage des vétérans et de ceux qui avaient été prisomiers de guerre, beaucoup de mesures dans le domaine économique, les mesures de M. Chrétien pour couper les impôts, des mesures dans le domaine agricole pour permettre aux jeunes fermiers de s'établir et augmentant le chiffre qui leur est alloué sous forme de prêt, des mesures également dans le domaine commercial, particulièrement relativement à la Corporation d'exportation du Canada pour permettre de financer ces compagnies qui auraient des contrats à l'étranger, qui permettraient de créer des emplois au Canada. Alors, dans tous les domaines, il y a eu une action assez vigoureuse par le gouvernement, mais je ne peux pas dire que toutes les lois que nous espérons voir passées ont été adoptées. Il y en a plusieurs dans le domaine énergétique, par exemple, qui n'ont pas été passées et il y a aussi des mesures législatives dans le domaine de la concurrence qui n'ont pas pu être passées.

Q. M. le Premier ministre, vous avez fait allusion tout à l'heure à la célébrité des travaux parlementaires. Est-ce qu'on peut vous demander qu'est-ce vous avez en tête, disons pour favoriser les travaux parlementaires, on parle depuis un certain nombre d'années, bien sûr, de moderniser les travaux du parlement. Est-ce que vous entrevoyez d'une façon précise, d'en arriver à une participation plus active des députés, etc?

R. Mon Dieu, cela devient du re-chiqué. Comme vous le savez vous-même; on a fait plusieurs propositions aux partis d'opposition pour avoir un temps sur lequel nous nous mettrions d'accord pour étudier chaque projet de loi. Par exemple,

nous donnons tout de suite après le discours du Trône, une liste de projets gouvernementaux et nous déposons en première lecture, des projets de loi et nous disons, voici, il y en a un paquet de dix, est-ce qu'on serait d'accord pour donner tant de jours à tel projet, tant de jours à tel autre, de sorte que nous sachions un peu notre programme et jamais on ne peut obtenir d'ententes avec les partis d'opposition, ce qui veut dire qu'il faut procéder et attendre les débats, et si les débats durent trop longtemps, là, amener des mesures connues sous le titre Article 75 du règlement, pour essayer de limiter le temps des débats, etc. Il serait beaucoup plus sage, il me semble, si on pourrait s'entendre et dire, bon il serait raisonnable de débattre tel projet de loi tant de jours, et s'il n'y a pas accord, on prendra le vote, plutôt que de s'éterniser dans des paroles. Mais parmi les réformes les plus simples que nous avons suggérées et qui n'ont pas été retenues, une première serait de faire comme en Grande-Bretagne et de décider qu'en deuxième lecture, on discute du principe du projet de loi, non pas des détails, mais du principe général, de permettre par exemple, une journée de débats seulement, parce qu'il me semble que dans une journée, chaque parti peut au moins expliquer par un ou deux ou trois orateurs, quelle est leur attitude vis-à-vis le principe du projet de loi. Ensuite bien sûr, dans le débat en détail, on pourra mettre beaucoup plus de jours, mais il me semble que c'est un non-sens que les partis d'opposition parlent pendant des jours et des jours et des jours pour dire qu'ils ne sont pas d'accord avec un principe. On pourrait très bien dire dans un ou deux discours, on n'est pas d'accord avec ce principe-là, mais voici un principe meilleur et c'est le principe de notre parti. Malheureusement, c'est une réforme qui n'a pas été retenue. L'autre réforme fort simple, serait de permettre à la Chambre de siéger sans ajourner à dix heures

trente et lorsque l'Opposition veut parler longtemps sur un projet de loi, on les laisserait parler toute la nuit. Mais ce sont deux exemples de réformes assez élémentaires qui n'ont pas été retenues.

STUART LANGFORD (CBC-TV): Mr. Prime Minister, I wonder if you are aware of the recent Supreme Court of the United States decision in the Bakke case regarding affirmative action laws?

A. No.

MR. LANGFORD: Well, it dealt very briefly with what are known in the States as affirmative action programs, and it declared that these were not constitutionally valid under their 14th amendment of equality before the law. I wonder if we have anything like that. I know we have no laws like that in Canada, but have we any policies like that in the Federal Government in Canada of hiring minority groups -- affirmative action in that sense, favouring minority groups in Canada as government policy?

A. Well, we certainly have policies. I could not say with any precision whether we have some laws, but it is obviously a policy of the Federal Government, for instance, to ensure that companies which are developing in the Northwest Territories or the Yukon hire a lot of native labour. We put this in the contracts and we make certain requests in this regard, and generally they are settled contractually.

Another example, I suppose, is to increase the number of women in the public service. As you know, the government has issued a whole series of directives to the Deputy Ministers under the Public Service Commission, saying that they should increase the number of women in the public service which, as you know, the hire of staff is outside government control in the sense that we cannot hire people. They are beyond political patronage, but we do give directives to them. We have even established in the public service and in the departments areas where there are offices with people whose function is to promote more hiring of women.

These are affirmative action policies. Nobody has ever attacked the constitutionality of them. I suppose it would be very hard to get the policy before the courts. If people

don't think a policy has to be obeyed, they don't obey it. But technically, I suppose, you could get some man taking an injunction against the public service, saying: "You shouldn't try and hire more women". But I do not think that would be successful and I do not think it is the way Canadians have understood policies.

Another example is in the area of bilingualism. Certainly governments before mine, and certainly my government, have made a particular effort to make sure that we would hire people from both language groups and from different regions of Canada. One of the businesses of cabinet, as a Minister was saying in the House a few days ago -- Mr. Goyer was explaining that when there are several contenders for a government contract or services, or for procurement, other things being equal we try and make sure that they are spread around Canada, not only concentrated in central Canada.

So there are many, many policies. They are a matter for debate. One of them was debated in the House not too long ago. I do not think there is any need to have recourse to the courts or the constitution to settle these problems.

RICHARD GWYN (Toronto Star): Mr. Prime Minister, I should like to ask two related questions on the affair of Marshall Crowe. In 1976 when something comparable happened -- two Deputy Ministers popped up as consultants to Lockheed Aircraft Corporation -- you said that that caused you some uneasiness; that was your phrase. Does the conduct of Mr. Crowe cause you any uneasiness? Would you, for instance, be happy to see most former members of the CRTC, CTC, NEB, et cetera, taking jobs with companies that deal with those agencies?

Secondly, do you intend to review your guidelines?

A. Well, on the first question of uneasiness, yes. The kind of questions which were asked then are still

asked today, not only by yourselves but by government. What are the ethics of somebody who has inside knowledge of a government department, or of government secrets, and then who switches sides? We proposed these guidelines to cover former Ministers, present Ministers, former civil servants and present civil servants, and Members of Parliament. Legislation was just tabled this week as to what conflict of interest guidelines should be put into the law there. So obviously these problems do cause us concern.

As I explained in the case of Mr. Crowe in particular, he was on a board which is defined by the law as a court of record. In other words, he is in a quasi-judicial body. As I told the House of Commons, we had not acted in that area, for reasons, I suppose, I could explain but which it seems to me are rather obvious. It is that for the government to be telling people who are going to become judges or members of quasi-judicial bodies that they must conduct themselves in a certain way while they are there, and after they have gone from there, is not in keeping with our traditions of the executive telling the judicial or quasi-judicial bodies what to do.

But I admit that in the area of quasi-judicial bodies in particular there is an ambiguity there. Because some of them, although they are courts of record, also have administrative and quasi-policy making functions. That is why I have told the House that we are prepared to act in this area, and in a sense I was relieved to know that the Opposition then would not blame us for sticking our noses into, as they often put it, quasi-judicial bodies. There is a certain unease and there is that particular concern in some quarters.

In the case of Mr. Crowe, he is in a very peculiar situation. When he was at the head of the National Energy Board, he was prevented from discharging his functions



there because in his previous capacity as a civil servant he had served the government well in certain energy-related matters. Then he got on the board and was told by the courts that he could not sit on certain cases. Now he is off the board and public opinion would want him not to sit in private enterprise. So in one case he could not exercise his function as a quasi judge for the government, and now he is being told he cannot exercise his rights as a private citizen. It seems to me it is a bit much to expect people of the competence of Mr. Crowe to go through life not being able to do anything because of something that they tried to do before and were prevented from doing by the conflict of interest guidelines.

Mr. Crowe has written a letter stating that, in his view, although he was not covered by the guidelines technically, he has made every effort to make sure that he only took jobs which were not incompatible with conflict of interest guidelines. He indicated that he had taken some directorships and not others because in the ones he accepted he was not expected to act in a way which involved former knowledge that he had acquired in his former capacity.

Now, I have not examined the case in detail. Once again, it technically does not come under the conflict of interest guidelines, but I am damned if I am going to let the government be blamed because people who work for us we do not keep strings on until the rest of their natural lives. I mean, people leave the government and they go into the Press Gallery. I suppose a man like Mr. Gwyn probably brings into his knowledge as a writer things that he acquired from inside the government. I do not know if anybody asks many questions about that, nor do I think they should be too bothered about that. On the contrary, why is it a lot of people leave the Press Gallery and come into the public service? Is there a conflict of interest there?

I think unless a man is patently doing something dishonest and using knowledge which he should not, it is very hard for the government to go after him. We can issue guidelines. We can indicate what would be desirable conduct, befitting conduct. But beyond that I do not think we should be expected to have everyone who comes into the public service sign a piece of paper that for x number of years after he has left the public service he will be under the watchful eye of "big brother" and subject to legal prosecution and so on. If there are obvious uses of government knowledge, well there is the Official Secrets Act, which is so unpleasant to everyone, if he has used secret knowledge. But if he is just using his brains which existed before he came into the government and if he continues to use them after he has left the government, I think it is a matter for personal judgment, and those who do not exercise that personal judgment well will merit the reprobation of public opinion.

MR. GWYN: A supplementary question. In terms of keeping strings on retired civil servants, we do, of course, under the Official Secrets Act, which applies to an individual for the rest of his life. But on ---

A. Do you approve of that?

MR. GWYN: I am just saying that is the law, sir. I believe in upholding the law.

A. That is what I gave in my answer.

MR. GWYN: I know, but I am just saying in terms of the impossibility of keeping strings on retired civil servants, that is done now. I want to ask you about the points you raised about Mr. Crowe writing a letter saying that though he was not covered by the guidelines he has observed them. The guidelines provide that a former civil servant shall not enter into a relationship with a company with which -- in quotation marks --

"he had a special relationship while in government". In the case of Sulpetro, of course, it is now applying to the NEB for an export licence for 66 billion cubic feet of natural gas. Do you not find yourself uneasy about that?

A. Well, I do not know. I would think if there is a conflict there, Mr. Crowe would refuse to sit on the board or make whatever decisions or participate in any discussions or application in regard to that particular case. But this company probably has a lot of other things to do, and probably Mr. Crowe's great economic knowledge and administrative abilities can be useful. I mean, this is a practice which exists in corporations and in politics all the time. One is not prevented from sitting on a board, or in cabinet for that matter, but if cabinet is going to decide or discuss some particular matter of which a minister has, by accident in the past, acquired a privileged position, he will withdraw, or the director will withdraw from the board. Maybe that is what Mr. Crowe is doing in this particular case.

JACQUES RIVARD (Radio-Canada) M. le Premier ministre, la Cour d'appel fédérale vient de confirmer une ordonnance du ministère du Transport qui interdit l'usage de français dans l'air au Canada. Pourtant depuis dix ans, vous parlez de bilinguisme et vous promulquez vos intentions dans vos propositions constitutionnelles, visant l'égalité des deux langues. Je me demande si cette décision de la Cour d'appel ne vient pas encore une fois, contredire les intentions du gouvernement vis-à-vis la politique des langues officielles?

R. Eh bien non, vous n'avez qu'à lire la loi des langues officielles et l'explication de cette loi. Elle oblige le gouvernement à servir le public dans la langue officielle de son choix, dans un certain nombre de circonstances. Vous allez au bureau de poste dans un endroit où il y a du français, vous avez le droit d'être servi en français, que vous soyez à St-Boniface ou à Trois-Rivières. Et la même chose, vous avez le droit d'être servi en anglais au bureau de poste au coin de la rue Peel et Ste-Catherine, parce qu'il y a beaucoup d'anglais là. Et la loi dit que le gouvernement va aider les Canadiens, leur permettre d'exiger qu'ils soient servis par le gouvernement dans leur langue, lorsqu'ils font affaire avec le gouvernement. Mais toute cette question-là n'a pas affaire au rapport du public avec le gouvernement. Cette question qui était devant les tribunaux, c'est de savoir si le gouvernement dans son administration interne, doit appliquer le français ou anglais en tout et partout. Et les tribunaux ont dit non. Ce n'est pas cela, la

loi des langues officielles. La loi des langues officielles est faite pour que le gouvernement puisse servir le public, pas pour qu'un fonctionnaire au bout d'un couloir dans un ministère qui disors, a des centaines de mille pages ou volumes sur les règlements municipaux de tous les gouvernements municipaux du Canada et qu'un type qui est au bout du couloir, dise, eh bien, moi, si je travaille pour tel ministère qui considère toutes ces choses, je veux que toutes ces choses soient traduites en français. C'est là même chose pour les mécaniciens qui travaillent dans des volumes techniques qui ont rapport à des engins ou des moteurs fabriqués dans des pays anglophones et qui disent, si vous voulez que je change les pneus, il faut que vous traduisiez tous ces manuels-là disant en grand détail comment toute la mécanique est construite. Enfin, je simplifie un peu, mais j'essaie de vous faire comprendre l'esprit de la loi et les tribunaux ont décidé et c'est une décision qui semble de bon sens, que le but du gouvernement Trudeau est de faire en sorte que le public canadien puisse être servi dans les deux langues. A partir du moment où des fonctionnaires veulent être servis dans les deux langues et veulent pouvoir travailler partout et toujours dans les deux langues, c'est une autre question qu'on pourrait légiférer, mais qui n'a pas été légiférée. C'est <sup>cela</sup> que les tribunaux, en gros, ont dit, cela ne nous décourage pas, au contraire, on a toujours dit, on a toujours pensé, avant, pendant et après les jugements des tribunaux, que notre rôle comme gouvernement, c'était de servir le public dans les deux langues. Pour ce qui est du gouvernement lui-même, afin qu'il puisse servir le public dans les deux langues, nous avons essayé de le bilinguiser le plus possible. C'est pourquoi nous avons dépensé des millions qu'on nous reproche d'ailleurs, en sorte que les fonctionnaires puissent se parler dans les deux langues,



pour faire en sorte que les fonctionnaires francophones qui viennent travailler dans un ministère, dans un domaine quelconque, ne soit pas obligés de baragouiner de l'anglais pour travailler pour le gouvernement. Cela c'est notre politique et nous l'appliquons. Mais de nous dire que du jour au lendemain, pour que nous soyons logiques, il faudrait que nous obligions tout le monde de parler les deux langues et que nous obligions tous les documents dans toutes les officines du gouvernement d'être imprimés dans les deux langues, non seulement on ne l'a pas demandé, mais ce ne serait pas possible.

Jacques Rivard: Une question supplémentaire, M. le Premier ministre. Mais à ce moment-là, est-ce que vous reconnaissez une certaine légitimité aux pilotes francophones pour pouvoir travailler dans leur propre langue?

R. Mais c'est clair, c'est le sujet-même qui est devant la commission judiciaire qui est en train d'essayer d'établir que c'est possible pour un pilote d'atterrir à Mirabel ou à Québec, même si les contrôleurs parlent français aux pilotes. Et nous, on a toujours prétendu que c'est le bon sens-même de permettre cela, puisque des pilotes anglophones atterrissent au Portugal et ils entendent du portugais, cela ne les empêche pas d'atterrir parce qu'on parle aussi l'anglais. Et nous avons soutenu que c'était le cas pour le français aussi dans le Québec, mais, comme vous le savez, il y a eu une grève et il y a eu beaucoup de protestations et je dois dire aussi, beaucoup d'incompréhension de la part d'un certain

public anglophone et nous avons <sup>soumis</sup> cela aux tribunaux.

Et c'est à ce moment-là qu'on a eu un peu de difficulté avec les gens de l'air qui ne voulaient pas témoigner ? moins que, etc.,

mais là, cela semble avancer. Et j'attends le règlement des tribunaux. Si par hasard, les tribunaux,<sup>1e</sup> Juge Chouinard et les autres, disent, non c'est trop dangereux, eh bien, on n'est pas pour risquer la vie des gens en forçant les pilotes d'écouter une langue qui leur est étrangère, s'ils sont anglophones. Et je ne veux pas présumer du résultat de la cause.

Mais c'est là-dessus que la décision se basera: savoir si on peut le faire sans risque, ou sans risque apparent, pour les passagers. Voyons la décision. Mais il va de même dans toutes les autres fonctions. Là où on peut permettre à quelqu'un de travailler dans sa langue, eh bien, c'est ce qu'on essaie de faire. On a eu des sections bilingues dans le gouvernement, on, comme vous dites, dépense des millions de dollars pour permettre aux fonctionnaires de se bilinguiser, etc.

MISS EVE SAVORY: (CBC TV-News): Mr. Prime Minister, the City of Ottawa has threatened to cut off water supplies to all federal buildings, including the Parliament Buildings, if it does not get \$30 million in taxes by September. Do you intend to do anything about this?

A. Well, I don't know if this is a serious question. I don't know what recent threat we are being subjected to. I do know that the Federal Government pays grants in lieu of taxes in all the cities and towns where it has public buildings, and certainly Ottawa gets a very hefty slice of grants in lieu of taxes, the principle being that one government cannot tax the other. So the Ontario Government or the City of Ottawa does not tax us, but we give the equivalent in grants. We do this in Montreal, Toronto, Halifax, Vancouver, Winnipeg and everywhere else.

Now, it often happens that one city council needs money and says "Your grant should be higher and you should give us more". This might be the latest ~~in that~~ in that. I know I have had meetings with Mayor Greenberg and correspondence. I know he is always asking for more money, which every government is, and we are always told governments, including our own, should not ask for more or spend more, and naturally we tell them "We think you have got a fair deal. We will improve it as much as we can and we will have more negotiations".

I know that there have been increases in the grants, and probably now he is asking for more. I would be very surprised if he is going to cut water off from us. I mean, where would he go swimming?

ALAIN GERBIER (Agence France Presse) M. le Premier ministre,  
une question concernant l'affaire Maschino: d'une part, avez-vous  
pris la décision d'intervenir personnellement sans intermédiaire,  
pour trouver, avant votre départ pour l'ouest, une solution à cette affaire.  
D'autre part, le gouvernement Algérien persiste à déclarer que  
Dalila Maschino est une affaire privée. l'enlèvement de

Du côté canadien, considérez-vous que la violation de la  
souveraineté du pays constitue également une affaire privée.

R. Eh bien, pour ce qui est d'intervention,  
je suis intervenu dans le dossier, il y a déjà plusieurs jours,  
pas mal longtemps, au moment où, au ministère des Affaires  
extérieures, on faisait des représentations au gouvernement  
algérien sur le plan privé, en disant, essayez donc de nous  
expliquer un peu cette chose, essayez donc de collaborer,  
il semble qu'il y a eu enlèvement, etc., mais on ne pouvait

pas faire de représentations officielles tant que le gouvernement de la province de Québec, de qui relève l'administration de la justice, n'avait pas constaté qu'il y avait eu un crime. A nos yeux, c'était assez simple: il y avait eu un enlèvement en territoire canadien et certainement que pour les gens qui ne connaissent pas le détail de l'affaire, il semblait bien qu'il y avait eu une infraction au code criminel. Mais, comme vous le savez, c'est aux provinces de décider si oui ou non, il y a eu infraction, et si oui ou non, elles ont les éléments de preuve. Alors cette décision a été faite, enfin, si je peux dire, par le gouvernement du Québec avant-hier. Ils nous ont informés de cela avant hier au soir, que oui, ils avaient maintenant les éléments de preuve et qu'ils voulaient porter plainte. Bon, tant mieux. Alors, à partir de ce moment, dès qu'on avait cette affirmation du ministère de la Justice québécois, on a demandé à notre ambassadeur de protester officiellement auprès des autorités algériennes et de dire que quelqu'un avait commis un enlèvement chez nous et que nous demandions réparation et justice. C'est ordre a été donné au Ministère, dès que M. Bédard du Québec ait pris une position sur l'enlèvement. Dans ce sens-là, je suis intervenu pour discuter de l'affaire avec mes fonctionnaires et mes ministres. On verra la réponse du gouvernement algérien. J'espère qu'elle sera dans le sens de la bonne entente qui existe entre nos pays et qu'on voudrait voir continuer. Mais il est clair - enfin, cela reste à prouver devant les tribunaux- mais il est clair que le ministre de la Justice québécois trouve qu'il y a eu un crime, et que ce crime demande réparation. Alors, c'est dans ce sens-là qu'on fait les protestations auprès du gouvernement algérien.



Q. Peut-on considérer comme normal que l'ambassade canadienne à Alger ait émis le 15 mars 1978 un visa de tourisme à Dalila Maschino, alors qu'à la même époque, elle était au Canada, résidente depuis deux ans et demi avec un visa d'immigrante reçue.

R. Je ne suis pas au courant de cela. Pourquoi est-ce qu'ils auraient émis un visa de tourisme à une personne qui était déjà ici?

Q. C'est la question que je me pose.

R. Bon, vous m'apprenez quelque chose, on va se renseigner. S'il l'a fait c'est soit qu'on l'a mal renseigné ou peut-être pour aider à la personne elle-même, qui avait peut-être besoin de régulariser son statut. Mais il me semble que cela n'a pas grand' chose à voir à l'enlèvement qui a eu lieu. Enfin, on nous cite des habitudes familiales de la société algérienne. Je trouve que cela n'a rien à voir. Si un crime a été commis au Canada, il ne peut pas être justifié en fonction d'habitudes qui existent ailleurs dans le domaine familial. Il y a eu un enlèvement chez nous et on est décidé à protéger les citoyennes et citoyens canadiens contre des crimes comme cela.

MR. PATRICK NAGLE (Vancouver Sun): Sir, this morning Statistics Canada reported a further decline in our foreign trade balances. Is there anything you know about it or are there any policies forthcoming which would change this serious trade problem before the end of the year?

A. Well, I don't know what further bad news you are inventing now, but trade balances have been increasing very substantially. Maybe there was one week or one month where there was a flaw, I don't know, but I do know that trade which was in a \$500 million deficit last year went to something like a \$3 billion surplus this year and the surplus is getting bigger all the time and our trade is improving. So if you have got a little bit of bad news in some column in a third-hand corner covering one day last week, don't let it worry you.

MR. NAGLE: No, sir; it is exports of manufactured goods from Canada, sir.

A. Oh, well that is something else. Why don't you ask your questions right?

PAUL TAYLOR (Newsradio): Mr. Prime Minister, even acknowledging the difficulty you encounter when writing things like the July 1st message to Canadians, I am curious about the tone of this year's message. I am wondering why you have chosen to direct your attention in this message to what would be the negatives of the national unity issue rather than taking advantage of what appears to be a clear indication in the polls of a swing in public opinion in the Province of Quebec alone, and highlight the positive in this year's message?

A. Well, you have got me there. I have written some messages for the St. Jean Baptiste, I have written some for Canada Day, I have done some for TV, and I have done some for the radio, I have done some writing for various publications who wanted a message from the Prime Minister on the occasion of

one of these holidays. I don't know what particular one you are referring to.

MR. TAYLOR: The July 1st message to Canadians.

A. I know, but let us get a list of them.

MR. TAYLOR: Well, are you feeling pessimistic or optimistic about the national situation, because this is a very pessimistic statement?

A. Well, show it to me. I cannot believe it would be pessimistic.

MR. JACK BEST (Canada World News): In connection with the new fighter plane, Prime Minister, the other day in the House of Commons you said that you wanted to get the best plane for the least money. Since these two ideas are very likely to be mutually exclusive in the final analysis, I would like to ask where you would be inclined to put the emphasis -- on getting a highly sophisticated plane that can perform a lot of roles, or a cheaper plane that may not be so sophisticated?

A. Well, I guess we would like to get the best plane for the least money, but one item is fixed: it is the money we have, and there aint endless supplies of that. We have put a very sizeable sum aside to get the best plane possible; I think it is \$2,100 million or something like that, if you've got the figure. That is a lot of dough, but we want the best plane we can get for that. So, you know, we will have to take the best plane in the most appropriate numbers to supply our needs, but if we can only pay for the second best we will get the second best.

Q. Could you say whether political considerations would enter into this question at all? It has been suggested that because of the contractual link and your own personal interest in fostering that contractual link, the European candidate -- that is, the Panavia plane -- might be given a better chance. Do you attach any weight to that

factor at all?

A. Not a better chance in the end result. I think we would take the best plane for the money we have, whether it is European or American. I guess that will be the limit of our choice. But in the tendering, in the selection and in the asking process, government, and myself in particular, did make sure that the Europeans would be asked to bid and to make a submission, and in this sense the Panavia people made a submission on the "Tornado" and I have asked that it be considered equally with all the others. There should be no preference for an American over a European or for a European over an American plane. I even asked to make sure we asked Dassault, the French producers, if they could make a submission for the "Mirage 2000". So in that sense I do want to make sure that the Europeans are given a fair chance to enter the competition. But certainly there would be no preference on the basis of European or American. We try and get the best plane in the greatest numbers for the money that we have.

JOHN WARREN (CBC TV News): Do you agree with the charge made yesterday by the Minister of Urban Affairs that some questions in the House, specifically those Elmer MacKay was asking about the Campeau projects in Hull, are inspired more by an attempt to embarrass French Canadians than by a legitimate attempt to seek information?

A. I didn't hear Mr. Ouellet make that charge. If he made it, you ask him on what it is based. I do know that on our side every time MacKay asks a question we say: "Here's the hit and run guy". And we do know that is the way he operates. He asks questions which evoke some great scandal and we do not know about it, and by the time we have found the information which explains there is no scandal at all he is on to some other thing. That is why we call him the

"hit and run guy".

TERRY WILLS (Toronto Star): A question concerning the prospects of Ford Motors putting an engine plant in Windsor. We understand Ontario is willing to make some contribution towards the \$75 million subsidy that Ford wants. Can we see some joint action by your government and Ontario for this subsidy to come forth?

A. Hopefully. You know, we discussed this in the course of the winter. Our Minister of Trade and the Minister responsible for DREE have been trying to get action from some of the big three to establish plants in Canada. We talked again about it at the First Ministers' Conference in February, and there is something in the communique that we will try and act jointly in this area.

But in the particular case of Ford, we found out that to get them to come here we would have to put on the table something like \$30 million, which was calculated to be the amount of benefits in terms of taxes and so on that they would get by going some place in the United States. So the Federal Government said: "We want Ford, we want the jobs, we want them to come here, and we will put \$30 million on the table". Then Mr. Horner went to Ontario and said: "Look, this is for Ontario, will you pick up a bit of this?" It took weeks and even months before Ontario would even agree to do something to get Ford to come to Ontario. We had put our \$30 million on the table, as I say, months ago, and Ontario said: "Well, you pick up the tab", and so on.

Now finally, in the last mile, they have decided, they finally came round and said: "We may pay something of the \$30 million, say a quarter of it or something like that".

Now it appears the amount is not enough, that \$30 million is not enough. Ford is talking in terms of \$75 million. So we said that is a different kettle of fish. We



knew what the \$30 million was based on but we don't know what the \$75 million is based on, and certainly we are not going to give money sight unseen to big corporations to come and do in Canada something that they probably should be doing anyhow in terms of fair treatment of the auto industry and the number of consumers we have here. So Ontario has finally come around to say: "Yes, we are going to put some money on the table too", but they insist that we put 75 percent of the \$75 million and they would only put 25 percent. So we said: "What is the basis for this? Aren't you interested in the industrial development of Ontario? It seems to me you should be. You should want jobs. They are for Windsor. Why do you come with this magic number?"

Then just a couple of days ago they said they would go to maybe one-third/two-thirds. But what is the magic of this too? So I have asked our officials, and they are meeting, I believe, this afternoon in Toronto, to go down to Toronto once again and say: "Look, let us try and get the jobs here and make sure that both governments pay their fair share. We were prepared to pay the whole thing when it was \$30 million and we put it on the table at that time. You didn't want to do anything to bring Ford here. Now we have to put more, let us see what you can put and we can put". That is what the discussion is on. But I don't accept any one-quarter/three-quarter formula, as though Ontario is only one-quarter interested in getting the Ford Motor Company here. Ontario should be just as interested as the Federal Government. The provinces are always telling us to keep out of provincial affairs, that we should not be intervening in anything, that we are always stretching the Constitution to get into their area. Industrial development should be the concern of the Ontario Government. As soon as things begin to be a bit costly, it is the Federal Government that has to pick up the

tab.

You know we are always told not to meddle in areas of provincial jurisdiction, but the example we had earlier about Ontario and Quebec labour mobility: as soon as they cannot solve their own problems they say: "You come to us and try and solve it for us. You go to the courts". Why doesn't Mr. Davis go to the courts? He just has to draft a law which would be like Quebec's and put it to the Appeal Court of Ontario. That is what Premier Schreyer of Manitoba did some years ago in another case. So I don't mind helping, but I don't like to be blamed for not helping every time the provinces try to solve the thing, telling us to keep out and suddenly they cannot make it.

TERRY WILLS: Just a quick supplementary. Did Ford bump the ante from \$30 to \$75 billion?

As No, I don't think Ford did that. We were given ways of calculating what gain they would get by settling somewhere in the United States in terms of tax concessions, right-offs and so on, and we said: "Well, we'll give you the same deal in Canada". We figured it would be about \$30 million, and we said: "We will give you \$30 million. We will try and get Ontario to pay part of that, but we don't know. Whether they do or not we will give it to you, so you'll get the same deal here as if you go somewhere in the United States". That was the first thing.

Then they said: "Oh yes, but beyond taxes and write-offs there will be some other costs, and that is the additional cost of building a green field plant here as opposed to stretching the one we have in Ohio", and that is going to cost, according to the figures we were given, another \$45 million plus the \$30 million. So we said: "Whoa back; we want to see a little bit more about this". You know. we are not prepared to get into the bidding game at any cost. We

would like to have them here. We would like to have General Motors here, we would like to have Crysler here, because we are buying their cars and we have a pretty important slice of the market. We hope that they will see their way fit to come, and if they are out of pocket by coming here compared to elsewhere, well, as I say, that is what the \$30 million was meant to take up. I don't suppose that this is the place to negotiate with Ford, but it is certainly the place to set the record straight on Ontario and Ottawa relations. We are the guys who put the \$30 million on the table and have been trying to get Ford here for many months, at a time when the Ontario Government was dragging its feet full stop.

Q.: Mr. Trudeau, good evening. You said no elections at this time.  
What does really mean "this time"?

A.: Well, it's very simple, Tom. I didn't want election speculations  
to begin just because I was going on television.

Q.: Right.

A.: Just as I don't want it to begin tonight just because I came  
into this room. I was asked just as I came into this room: Are you going  
to announce an election? The same thing when I came back from Europe, the  
office was being phoned and we were being asked: Are you going to call an election?  
Are you going to see the Queen in Edmonton, are you going to ask for  
dissolution? And we've been through the speculations last Spring, we've  
been through the speculations last Fall, and I just want people to know that  
the Summer would not be a time for them to vote and it was turning it off.  
Whether we have an election in the Fall or next Spring, it's something I  
haven't turn my mind to. I just want to make it clear that they shouldn't  
bother asking me every day or phoning the office every day to know if I was  
going to call an election.

Q.: So, as it stands at the moment, Prime Minister, the October  
by-elections are still going ahead?

A.: They're still going ahead.

Q.: Right. Now the Opposition is clamouring with all the news that  
has come out in the last couple of days, if not for an election then a recall  
of Parliament. How do you feel about that?

A.: Well, Parliament, of course, has been recalled. It has been  
recalled for the middle October. I haven't heard any argument why they wanted  
the Parliament recalled right away, except that they want to be, I suppose,

have their daily television period in Parliament. It's normal, in summer time we adjourn Parliament. People are away, Members are looking after their riding, re-establishing contact with the various parts of the country that they come from and we don't plan to change that. We will follow our schedule and if there is no election, we will have Parliament meet as planned. And nobody objected to it when we adjourned last June to a date in October and that we will continue to follow that plan. It's important that the people understand that things are done and can be done when Parliament is not there. There is a great deal of Executive action that can be done in the area of cutting expenditures for instance. There is a lot of programs which can be changed or modified without Parliament being there. And of course when legislation is needed, then it has to be planned for Parliament and what we are doing now as we do every year is prepared the Speech from the Throne which will be read to Parliament and which will entail certain amendments to present legislation or introduction of new legislation and then Parliament of course will be called upon.

Q.: Well, with the publishing of the figures of the cost of living, inflation up so another point and a half -- I think it was just announced yesterday -- Mr. Broadbent and Mr. Clark were saying: Look, what's happening, what's going on? You feel that it can be best left alone, if you just keep working with the Executive action and then Parliament is just left to be re-called as scheduled. In other words, there is no sense of panic or emergency?

A.: Well, I think with figures of inflation this high, there is a sense of emergency. I wouldn't say panic, but there is a sense of... It's important that we make sure we don't get back to double-digit inflation. But I'll make two remarks: the first is that Mr. Renouf, the head of the Anti-inflation Board, has issued a statement telling people precisely not to panic because there had been a rise in the cost of living for July, which was distressingly high -- 9 point something per cent -- but practically all of it was due to food and the other percentage was due to housing. But most of it, 80 per cent was due to the increase in the cost of food. And his statement made it quite clear that the peak had been passed and that the figures on beef, on imported fruits and vegetables and so on had fallen right after the first week in July when Statistics Canada took the cost of living figures. So he is saying: Look, the next figures will



be lower, and so on. And that's the first remark. The second is: what Mr. Broadbent, Mr. Clark want Parliament back for to do on inflation? They haven't said that they want Parliament to legislate controls in again. So what? They just want to speak about it. We prefer to act. And I announced on August 1st that we were going to announce certain measures to protect people against inflation.

Q.: How do you feel the A.I.B. has performed, Mr. Trudeau, because the inflation rate is just about one per cent lower as announced yesterday than the figure that sort of moved you into action to incept the A.I.B. for three years?

A.: Well, it's important to remember that when we brought in controls in October of '75, it was because inflation was domestically generated. You'll recall in an era when we had rents going up 20, 30 per cent a year. We were having wages going up 20, 30 sometimes demands as much as 50 per cent a year. These were all domestic causes of inflation. And I think the figures now, wage settlements for instance are down between 5 and 7 per cent. Rents... the rate of rent increase has fallen. Profits were down for a couple of years. It does mean that for those periods when A.I.B. was operating, the Anti-inflation Board was most active. It meant that we've brought down our inflationary pressures in Canada. But the figures you're just quoting now, I say 80 per cent of them are due to food and that is because we've been importing a great amount of our food and we can't control the prices set in the United States, or in Israel or in Mexico for strawberries, tomatoes, whatever we're importing. Therefore, you shouldn't fault the Anti-inflation Board for high prices on the world market when we import these things into Canada. What we should be concerned is to make sure that our inflationary pressures in Canada whether they be through profits, rents, wages, salaries and so on aren't rising at an unacceptable rate. And as I say, they are not, they're around six per cent.

Q.: At the Bonn summit, you pledged or said will try to get growth in this country at 5 per cent. What sort of muscles you're going to use to get there? Or can you?

A.: You'll recall when the First Ministers, all the Premiers and myself met last February, we took a certain number of steps,

and made a certain number of collective decisions which were then brought forward in Mr. Chretien's budget a few months later, indicating that we were trying to reach -- I think the Bonn summit words were -- up to 5 per cent real growth. This is still our aim and we're still hopeful that we will get within reach of 5 per cent. If not 5 per cent, we will be surging towards 5 per cent. This means a certain number of investment decisions. This means controlling the rate of government expenditures -- all governments, federal, provincial and municipal. You'll recall that the Premiers and myself agreed that we should not have governments grow at a rate faster than the rate of the economy itself. The Federal Government has delivered on that. For the past two years, we've shown a rate of growth less than the rate of growth of the economy and I can assure you that Cabinet today is discussing very serious expenditure cuts which will make sure that we, next year, don't grow at a rate faster than the Canadian economy. This will mean curtailing sizeable amounts of expenditures. Mr. Andras and I have been talking in the billions of dollars. And this way, we will encourage economic growth in the private sector which we did in '77 by cutting private personal income tax by about \$2 billion, \$2.1 billion to be exact, and corporate tax was cut some \$980 million. So this is all putting money back in the private sector so that they can invest and grow. This year, of course, you'll recall that we cut, the Federal Government put \$750 million in cutting sales taxes and the Provinces in putting sizeable amounts too. So there is stimulus, there is a return to the private sector. We are talking of cash balances required of something in the order of \$10 to \$12 billion. This means that the economy is indeed being stimulated. We're confident that what is needed is investment confidence, pushing forward with private sector investment. We've already had the announcement on the Ford investment in Southern Ontario. This is an example of the kind of project we talked about last February at the First Ministers' Conference. You know that since January, Ford has been talking about building a \$500 million plant. The Federal Government in February began discussion with Ford, saying that we will give you \$30 million on our own if you'll come. We tried to get Ontario to participate. At the time, they didn't want but over the months, we established with Ford that they would need something like \$68 million to make it advantageous for them to come to Canada, because that is the amount it cost them to come to Canada over expanding their present plant in Ohio. We put this money on

the table and they are coming. This is growth. There are many other projects that we've talked about in the Spring that will be pushed forward just as the auto plant was.

Q.:                   Once again,       Ford. They're big people. Do they really need \$68 million? Is it that hard to attract industry to Canada?

A.:                   Well, when Ford has a plant now in Ohio which they can expand for amounts     say of half a billion dollars to produce the same thing that they'd be able to produce in Canada by creating a completely new plant and which would cost half a billion plus \$68 million more, it does make sense for Canada to say: Well, we will with the Province overcome this differential - so that you do     come to Canada. It wouldn't make sense to give any amount, it wouldn't make sense to say the sky is the limit, but when Ford is going to invest something of over half a billion dollars when the tax returns alone, through the corporate tax and through the wages, more than 2,000 new jobs it's going to create, when this means that within a couple of years we will have recuperated the money, I think it's a good gamble. It does make sense. And of course Ford is not alone. There is also General Motors. It's good that Ford came to Ontario, the Windsor area, because people are always inclined to say: Well, you know the Government is doing things for Quebec first. In this particular case, Quebec is saying: Why is Ford going to Ontario? We're hoping General Motors will come to Quebec. Well, we're working at that too. But it's important that we not lose a single occasion to get a part of this they say as much as \$50 billion of investment that the automobile industry is going to be putting in its plants over the next five to ten years. It's important that Canada get its share. It's important we be able to bid against Ohio or New Jersey or whoever else is asking for these plants, these developments.

Q.:                   How are you going to create jobs for some of these choosy young people you mentioned on 1st of August?

A.:                   Well, the choosy young people, if they're too choosy they won't get jobs, they won't get the jobs they're hoping to choose for. But you know I said some are too choosy. There is a lot of people who are unemployed through no fault of their own and this is why the Unemployment Insurance scheme is generous to those who are looking for jobs, honestly looking for jobs.

But those who turn down jobs or just work for 12 weeks and then go on Unemployment Insurance, I think they should be routed out. And this is an area where Cabinet again today is looking at specific action to make sure that over and beyond the measures we took in the last session of Parliament to tighten up the Unemployment Insurance Act, we want to make sure that there is further tightening up that can be brought in.

Q.: You promised zero growth, in fact a reduction in the Civil Service. But hasn't this Prime Minister, been promised over and over again...

A.: Promised and delivered. For the past two years, we've been saying there'll be growth at less than one per cent. There has been growth at less than one per cent. This coming year we said there would not only be less than one per cent, it will be zero. And we delivered in the past two years so we will deliver next year. Don't forget that when we say growth at less than one per cent or growth at zero, this means that some departments are growing less than zero. In other words, they are reducing their size. Most departments have been reducing their size in the past couple of years. Because some departments like the Post Office, like the Penitentiary Services, like the Police, the R.C.M.P., have been growing to serve the public, so if these departments grow at as much as one, or two or three or four per cent, it means all of that/the others have to grow at zero or minus zero. And this is happening.

Q.: You've talked about bold action to ensure prosperity and national unity which in your view are firmly linked. How do you see that link?

A.: Oh, rather simply. There is nothing more mobile than the investor's dollar. He will go where his investment is (a) secured and (b) when it can give him a sufficient return. You can get a very high return in very uncertain countries but dollars don't go there because they want securities. Well, if Canada threatened with break-up as it has been since at least the election of the Parti québécois in November '76, investors are a little bit weary about investing in a country with such an uncertain future. In other words, if a manufacturer wants to build a plant, he wants to know if he is going to be able to build it for a market of 22 million Canadians or if he's going to build it only for a market of some six million Quebecers and conversely if he is building it in Ontario or elsewhere, he wants to know if it's for a market of 22 million or 22 million minus six or seven, minus more if the whole

country splits as a result of Quebec...

Q.: Can we get on to the unity problem, Prime Minister? What bold action are taking there? Are you referring to your amendments to the Constitution?

A.: Well, it's extremely important that as an alternative to separation which Premier Levesque is proposing although he disguises it under other names: confederation, sovereignty-association, and so on, he is really saying: We're going to take Quebec out of Confederation and we'll see if we can have some common market after. It's important that Quebecers have an alternative, that they say: Okay, one choice is taking Quebec out and the other is what? If it's just Canada as it was for the past 100 years or a thesis that it is not an attractive alternative for Quebecers. They want a new Confederation. They want a Confederation in which their language rights will be respected, in which their place in the country will be recognized. You know we don't have to go through 110 years of history to realize that in Ontario, in Manitoba, in New Brunswick, in other provinces, the rights of the French-speaking minorities have not been recognized. So we're proposing an alternative form of Confederation where these rights will be recognized, indeed where all human rights of all Canadians everywhere in terms of basic liberties, freedom of speech, freedom of something, etc. etc. will be incorporated into the Constitution. We're even saying: And this Constitution will be truly Canadian and not an Act of the British Parliament. Therefore, we're giving Quebecers and hopefully a lot of Canadians who are interested in the modernization of the country, we're giving them an alternative to the status quo. And this is our whole approach. We saying to Quebecers: Look, you don't have to choose to separate in order to guarantee the French language and culture. This can be done in a new Constitution. This can be done at the federal level and this can be done by certain provinces if they agree, and this is what we're working at. And it's very important that people, English-speaking Canadians particularly, realize that there are a lot of Canadians of Quebec federalists, Quebecers who believe in Canada but who will believe in a Canada that is once again recognizing their basic rights. And I'm very sad to see that the game played by the Premiers in Regina is one of saying: Well, we don't like these changes. We'd like some others but don't hurry, don't give us any deadline. There are deadlines.



There is going to be the Quebec Referendum. People of Quebec will then have to choose either Canada and a modern Canada or else separation. As the Premiers play Levesque's game, they fall into his trap of slowing everything down, Quebecers are not going to be able to choose between a separate Quebec and a new Canada. They're going to choose between a separate Quebec and the Canada that has been there for 110 years and which does not satisfy most of them.

Q.:           How do you feel about some of the criticisms by constitutional experts like Liberal Senator Eugene Forsey, tinkering with the Monarchy, things like this?

A.:           Well, I'm afraid a lot of it is based on a misunderstanding and misreading of the facts. For instance, one of the criticisms is that under our new Constitution the Prime Minister can name himself Governor-General and therefore bring the two jobs together. Well, that's pretty silly because if you want to say that, under the present Constitution, under the B.N.A. Act, the Prime Minister can name himself Governor-General. There is nothing preventing that. The only stopple in both cases is that the Queen has to approve whoever her representative in Canada is. She has to do that now and she'll have to do that in the new Constitution that we're proposing. The difference is that in our new Constitution, it's put out in writing and it's you know, it's locked in there and obviously the Queen is not going to say you're the Prime Minister, I'm going to accept you as Governor-General. She wouldn't have done that now and she wouldn't do that under the new Constitution.

Q.:           So there's going to be no change then?

A.:           There's going to be no change in that respect, no. We're really putting into the law what is the current practice now, the current practice and the current law. And quite frankly, I think it's a bit ridiculous to see everybody charging to defend the Monarchy when the Monarchy is not being attacked. Even, you know...

Q.:           René Levesque did too in Regina.

A.:           It seems to me people should be a bit more conscious of their ridiculousness. When Levesque says: The Queen will defend us from the central government. I mean it's the first time he has ever said that he is

a monarchist. And I note that this hasn't been repeated in Quebec or even carried in the Quebec papers.

Q.: But they must have heard about it, Prime Minister.

A.: I guess they're so embarrassed even to repeat that that they don't write it. I was reading this morning the clippings and I see that in the English papers, Levesque saying: Well, we must defend our Monarchy. But none of the Quebec papers have carried that and I think I read half a dozen of them.

Q.: Never mentioned, hein?

A.: I mean the Premiers know that too, it's just a game and I'm sorry that they're playing that game, rushing out to defend the Queen who is not being attacked. If they read the constitutional proposals we put in there, they would see exactly what I'm telling you.

Q.: You pledge, Prime Minister, that the rule of your Government will be to deliver more for less, but recent figures pointed out by Tory Leader Clark show that for the first three months the deficit is \$4.5 billion. Mr. Chretien forecast \$9.5 billion for the whole fiscal year, \$9.5 billion, and at this rate of calculating the deficit could end up about \$18 billion...

A.: I don't know what you're quoting from...

Q.: This is from the Department of Finance. These figures apparently came out last Friday that the deficit is a good deal greater for the first quarter than had been forecast.

A.: Are they talking about cash requirements for the year? If they are, it will be just about as Mr. Chretien predicted in his spring budget. If they're talking of the budgetary deficit, of course, it...

Q.: For the first three months, yes.

A.: Well, it's like calculating employment growth in one month and then expanding it to the whole year which doesn't make sense. Employment between last month and the month before grew 68,000 in Canada. If you multiply that by 12, you're going to have a fantastic figure of 700...

Q.: Well, this is assuming if the rate goes on, the rate of government expenditures.

A.: Well, I know the government expenditures are always higher in the first period than in the latter. You have to put it on a yearly basis. I don't think you can just extrapolate figures of one period and say this can be...

Q.: No, I think the thrust was that the expenditures are high. Are they going to keep on being high? Mr. Trudeau, you're a patient man: you're finally fed up with the goings-on in the Post Office. Many Canadians I know are being fed up with the Post Office for years. How about making it a Crown corporation? How is it going to change things?

A.: It will only change things in the sense that it will give management and labour a new start, and hopefully new management independent from direct control by the Government. It is now under a department. They will now be able to reach a better understanding than they have in the past. Then, it's not proposed as a magic solution, it's just one that worked shall we say in Great Britain. They were very much in the red until they decided less than 10 years ago to turn the Post Office into a Crown corporation. It has become a paying proposition. And we're hopeful that management and unions, the workers and the management will say: Okay, this is a fresh start, let's realize that the Post Office is a needed and necessary service for Canada; let's try and work fairly at this. And it may mean some renaging of previous hard-line positions by both sides, a readaptation. The encouraging thing is that the unions have been wanting this, the workers have been wanting this. Now the Government is saying okay we're going to go along with it. Let's sit down and talk and make it work. <sup>If</sup> Canada can't make the Post Office <sup>if</sup> work, the workers and the management of first the Department and now a Crown corporation can't make the Post Office work, they should have very low hopes for the future of Canada. You know every country needs a postal service and it would seem to me it's basic for Canadians to have faith in their country as workers or managers to say this has to be a success and we're determined to make it a success.

Q.: You warned the Public Service that the Government is going to be very tough in its bargaining.

A.: Well, if here again you recall that the Premiers and myself last February made it quite clear that our public services, in other words not only the federal one, but the provincial and the municipal <sup>ones</sup> ones would grow, their remunerations, their pays would not exceed the private sector. This was an absolute promise by all levels of government. We have said that we will deliver. We introduced legislation, I believe C-28, saying that we would put this into the law to make sure that remuneration, pay in the public service not be ahead of the private sector. We're not saying it should follow, we should say it should be in a fair comparison with the private sector. This has been our claim to the unions. They said: Okay, if that's what you want to say at the bargaining table, it's fair enough. The quarrel has not that they want to be paid more than the private sector, the quarrel has been how to define fair comparisons. At the federal level, it's reasonably easy because we have economists, there're economists in the private sector. We have elevator operators, there're elevator operators in the private sector. It should be reasonably easy to have comparative wages. In the case of the provinces, it's more difficult. They have teachers, they have nurses, hospital staff and very often in these jobs there is no private sector with which to compare.

Q.: Prime Minister, observers at the recent Commonwealth Games in Edmonton, noted a freshening of the Canadian spirit. You were there. Did you notice anything different?

A.: Well, I think it's fair to say I did. Just the results themselves of the games show that Mrs. Campagnola, the Federal Sports Minister, has put in plan for the past few years is working. We have a game plan which is putting the accent on amateur sport, on fitness and on the providing of coaches and facilities for sportmen. Canadians obviously have the physical abilities that people in other countries have. It was a matter of teaching them the techniques the particular mechanics of certain sports and this is why coaches are all that important and that is why the Games have been successful for Canada. And being successful, the spirit has communicated itself to the people beyond the sportsmen themselves.

Q.: Thank you very much, Mr. Trudeau.

A.: Thank you, Tom.





TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE, OTTAWA,  
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NORM FETTERLEY, CPTO: Mr. Prime Minister, in the absence of an opening statement I wonder if you could give us an overview of the last six or eight weeks as you have seen them, particularly the decision not to call an election and the major economic announcements that have been made?

THE PRIME MINISTER: I suppose I could start answering that with the meeting in Bonn of the leaders of the seven industrialized nations and say that that was the culmination of a re-examination of the economy that had begun federally provincially in February last but which had begun in the federal government oh, I suppose roughly a year after the control program was introduced when we published the Way Ahead and then an Agenda for Cooperation indicating the general orientation and lines of direction of the government's management of the economy both at the federal and provincial levels and then in Bonn, setting aside the resolution on hijacking, which, of course, was very important and which is being followed up by a meeting in Canada very soon -- the discussion was mainly on the economy and what various countries could and should be doing to tackle the very difficult problem of economic management in all of the industrialized democracies and each country, as you know, came up with suggestions for action on its part and from that followed my statement on the first of August which was accompanied by a statement that there would be no immediate election and that we were going to bring measures in to add to the impetus, but in a more immediate way, add to the impetus that we had given to the economy since the federal provincial conference.

Therefore the announcements. Therefore the desire to implement as soon as possible these announcements in a session which will begin on the tenth of October with a speech from the Throne.

PETER DESBARATS, GLOBAL: Mr. Prime Minister, you have now backed away from a number of possible election dates, the assumption being that it is felt that the government under your leadership cannot win a majority victory or felt that it could not win a majority victory on those dates. Could you tell us a little bit about your feeling about the timing of the next election now and about your determination to lead



the party into the next election?

A: Well last, was it April, or thereabouts, when I decided that there would be no Spring election, I said you shouldn't ask me about elections until next spring which is the likely date for an election. It could have happened that we could have had an election in the fall but I decided not to have one and we are going to have it certainly not this year. Presumably in the spring of next year. Will I lead the party? Yes, I intend leading the party and that is why I am going to parliament with a program which I think is very important to the economy at this time and one which is also extremely important in terms of national unity because we will also be discussing that question in this parliament. I feel that it is important that we clear the decks on those subjects and show to the people what our directions are before going into an election.

DAVE RINN, CJOH: Prior to the summer recess, Mr. Prime Minister, there were allegations made by the opposition in and out of the House regarding a possible conflict of interest and Mr. Bill Teron and his position as head of C.M.H.C. Is Mr. Teron going to be reappointed as the head of the C.M.H.C.?

A: I am informed that discussions are going on now to make sure that the conflict of interest guidelines are being well applied in Mr. Teron's particular case. That had been the situation when he first came into the employ of the government. Then he took a leave of absence and he is in the process now of returning after his leave of absence but I understand there has been some change in his economic situation and he wants to clarify that with the people who are entrusted with applying the conflict of interest guidelines. I hope they will resolve it because I value Mr. Teron's public service very highly. I know that it probably means sacrifice in economic terms to a lot of people who leave the private sector to come to government and I do hope that we will find ways of accommodating the entry into the public service of people who have had a career in the private sector before but I hope it will be resolved. I know it is going on now and unless there is some development in the last hours I don't think I could add much to that.



Q: Do you think it appropriate, sir, that a gentleman of his stature and his financial position in this country should have that leave of absence and then to set his financial house in order and then come back into the government again?

A: Well I think it appropriate if there has been no breach of the public interest and no gain by him in terms of using his public position to have private gain and this is, of course, the intention of the guideline and it is certainly the will of Mr. Teron himself. There is nothing inappropriate with people in the private sector coming into the government. On the contrary. Since the past ten years I have been trying to draw an increasing number of them. I must say there are not too many volunteers because it does involve very considerable sacrifice for people who have been very successful in the private sector when they decide to enter either politics or the public service.





MADELEINE POULIN (Radio Canada): M. le Premier Ministre quelle est votre attitude face à la déclaration de votre ministre de la Justice sur la possibilité d'un référendum sur la peine capitale?

R. Bien, je pense qu'il faut distinguer, dans la réponse, entre les deux sujets: le référendum et la peine capitale elle-même. Sur la peine capitale, je l'ai dit, et je le répète, je n'ai pas changé d'idée. J'ai favorisé l'abolition de la peine capitale, pas pour des raisons de principe ou de moralité, mais parce que je pensais que la peine de mort n'obtenait pas le résultat voulu, c'est-à-dire la réduction du nombre de meurtres. Alors, sur cela, il n'y a pas de changement de ma part, ni, sauf erreur, de la part du Conseil des ministres.

Monsieur Lang a posé une question beaucoup plus large: la question de savoir si, dans notre processus parlementaire, il y avait place pour le référendum pour permettre à la population d'exprimer un avis sur un sujet d'actualité brûlante. Cette question peut-être débattue à son mérite, mais, à mon sens, elle ne devrait pas être débattue dans le contexte de la peine de mort, parce que cela peut s'appliquer à un tas de sujets brûlants: l'avortement, par exemple, et un tas de choses qui divisent la population: l'utilisation de certaines drogues...

Q. Est-ce que vous êtes d'accord que d'offrir un référendum sur la peine de mort, c'est revenir à l'acceptation de la peine de mort puisque les sondages indiquent que la population serait majoritairement favorable?

R. Oui, mais je n'ai pas dit que c'était la politique du gouvernement d'avoir un référendum sur la peine de mort. Je pense que ceci a été établi clairement par Monsieur Lang. Ce qu'il a dit, c'est que, dans le monde moderne, où la population, de plus en plus, sans doute animée



et informée par les média, veut de plus en plus avoir le pouvoir décisionnaire dans certains domaines. Est-ce que l'on devrait ou non lui donner ce pouvoir décisionnaire? Cela existe dans certaines démocraties, par exemple, en Suisse, et je pense que certains États américains l'ont également. Il y a d'autres méthodes de démocratie directe qui peuvent être examinées dans le cadre constitutionnel. Par exemple, le rappel des députés dont on est mécontent, entre des élections. Ceci existe dans certaines démocraties. Et c'est ce problème que le point de vue de Monsieur Lang propose. Et je pense que ce point de vue-là vaut d'être examiné. On peut-être pour ou contre. Mais, je trouverais erronné d'appliquer cela strictement à la peine de mort. Dans le cas que vous citez, il se trouve que la population, si les sondages disent juste, n'est pas d'accord avec la majorité des députés qu'elle a élus. Est-ce que l'on devrait prévoir dans la Constitution, dans des cas semblables, non pas que le Gouvernement ou le Parlement change d'avis, mais que la population puisse décider directement, par-dessus la tête de ses représentants élus. Je trouve que la réponse est simple dans des questions complexes: la réponse est non.

On ne devrait/  
/pas permettre, par exemple, à la population de décider une question très compliquée sur une forme d'impôt comparée à une autre, ou sur les façons de résoudre le problème du Proche Orient, etc. Mais, mais sur une question très simple, cela se soutient et cela se pratique dans certaines démocraties. Et c'est cette question que Monsieur Lang a posée, sur laquelle le gouvernement n'a pas pris de position, mais je pense que c'est cette question-là qui devrait être débattue.

GERARD FAU (Télé média)                      Monsieur Trudeau, votre gouvernement a annoncé dernièrement plusieurs coupures dont certains montants pour cette année. Est-ce que cela veut dire que, d'ici la fin de l'année, les dépenses du gouvernement sont bloquées, ou on doit s'attendre, à la fin de l'année, à avoir une demande de crédits supplémentaires, ce qui réduirait d'autant les coupures, ou les économies que le gouvernement entend faire d'ici la fin de l'année?





R. Et bien, ce qui est arrivé pour cette année-ci , c'est-à-dire l'année fiscale qui se termine à la fin mars, le gouvernement va dépenser 500 millions de moins que prévu . Alors, ceci, compte tenu des prévisions supplémentaires et de tout le reste, le compte final sera 500 millions de dollars de moins que prévu , de moins qu'on aurait dépensé autrement. Et l'année prochaine, il y aura

deux milliards de dépenses de moins que prévu .

On peut dire: quelles prévisions? Et bien, les prévisions basées sur le Livre bleu, les prévisions budgétaires publiées au mois de février dernier, et les prévisions qui, normalement, seraient publiées au mois de février prochain pour l'année après. Et ces prévisions-là étaient basées et seraient basées sur des facteurs très simples, très faciles à calculer. Par exemple, la charge sur la dette publique de quatorze pour cent, des transferts aux provinces de treize pour cent, l'indexation de plusieurs programmes de sécurité sociale, l'augmentation de la population. Tous ces facteurs-là mis ensemble auraient voulu dire une augmentation des prévisions budgétaires de l'ordre, je pense, de douze à quatorze pour cent. Nous avons décidé que nous allions couper deux milliards pour que l'augmentation soit de l'ordre de 8.9 pour cent.

Q. Sur un autre petit sujet. Vous pensiez déménager à Sherbrooke et à Rigaud des sections de ministères. Est-ce que vous pensez en arriver à une entente avec le gouvernement du Québec? Et, si non, quelle date-limite avez-vous donnée pour des négociations avec le gouvernement du Québec pour une entente, pour que ces déménagements se fassent?

R. Que je sache, il n'y a pas de date-limite. Le plus tôt sera le mieux, puisque nous sommes toujours intéressés à la décentralisation gouvernementale, notamment des services comme ceux-là, vers des centres québécois. Mais, pour ce qui est de la situation présente des négociations, je ne



saurais vous dire. Je pense que l'on cherche des accommodements de part et d'autre, mais la politique reste établie, et nous ne pouvons pas aller là, malheureusement, tant que nous ne pouvons pas garantir aux fonctionnaires unilingues anglais, ou anglophones, qu'ils pourront éduquer leurs enfants dans la langue de leur choix. De la même façon que nous avons dit aux fonctionnaires qui devaient aller, disons, à l'île du Prince Édouard, ou en Alberta, et qui étaient francophones, que nous ne ferions pas les déménagements avant que ces provinces n'aient prévu des facilités d'éducation en langue française pour leurs enfants.

MIKE DUFFY, CBC:

Mr. Prime Minister,  
In the last couple of years we have seen, of course, the change of position on controls. We have now seen a drastic overhaul of the unemployment insurance commission. Now we have your apparent blessing today of Mr. Lang's campaign to go across the country and to raise the spectre or the possibility that the government might in fact change it's position on capital punishment. How do you respond to people in the public who suggest now that this government is perhaps the most cynical in memory and that it is prepared to do anything, to adopt any position in order to hold onto power?

A: Well people who have made that charge have obviously made up their minds. I wouldn't try to force them to change their minds. We should take the cases that you quote as an example. I have responded to the controls argument many times; that controls were not appropriate in June, July '74 because inflation was mainly imported and therefore could not be controlled in Canada but in the fall of '75 inflation was being generated in Canada and I have quoted many times the type of incomes increase which was prevalent either in terms of increasing rents at rates of 20 to 30% or in terms of wage demands or



salary demands of the order of 20, 30, and 40% so inflation was obviously generated in Canada and the contingency plan of which the opposition had made much in the '74 election and which we had, was brought into being. You know this could be argued indefinitely but I see nothing for which I have ever felt should apologize in applying proper economic policy at the proper time rather than at the improper time. As far as Mr. Lang crossing the country, to use your words, you obviously misunderstood the answer that I gave to Ms. Poulin. I indicated that the issue for the government was not capital punishment. I was still opposed to it and I would think that the majority of my cabinet probably including Mr. Lang is opposed to it and I would wager Mr. Lang, if there were a referendum such as he suggests, he would campaign for the abolition of capital punishment so it is not a matter of reversing his stand. The question he did raise, and which is not government policy, but which I told Ms. Poulin is one which I think is debatable, is whether, in this stage of the evolution of parliamentary democracy, if some instruments of direct democracy such as a referendum or a private initiation of legislation or parliamentary recall of unsatisfactory members should be introduced, and I think this is an interesting question. More and more, and I believe you yourselves are partly responsible for it, the public is more informed of national issues and they want to decide directly. They don't want to have a representative democracy. They want to make up their minds directly and I was telling Miss Poulin that I think this is not a tenable theory in complex questions like, you know, what do you suggest should be done to settle the Arab Israeli dispute, answer yes or no, but there are some questions in which a yes or no answer can be given. Obviously Mr. Levesque used to think that separation of Quebec was such a question. A lot of democracies have a provision for direct democracy even in the framework of a representative democracy and this is the question that Mr. Lang raises and I don't consider it a flip flop for Mr. Lang to be ahead of his colleagues. He is an intelligent man and he is thinking of reform of the parliamentary system in an age where you yourselves I think are. I think the informed public is discussing the reform of the system. That is what we do when we talk of the reform of the





Senate and such ideas as PR, proportion representation and so on so I don't see any flip flop.

Q: You told the Commons on November 22nd last year that you will not use a referendum on capital punishment. Do you still hold that view that a referendum would not be appropriate for that issue?

A: I hold the view (and I was explaining the law that we presented to parliament) that it would be an error to mix the two types of referendum. One which we are introducing which we brought in the form of a bill to decide such basic questions as the constitution of the country, or the separation of one province with referenda on specific subjects and I still hold that view. I certainly wouldn't prevent my minister or anyone from raising the question of okay, let's just keep this bill or this national referendum idea for subjects like do you want this constitution or not; do you want separation or not; but if you want to discuss direct democracy in individual cases, let's hear your argument and I suppose they will be made when we are debating this other bill.

Q: So you are open to be convinced on this?

A: Well quite frankly, you know, I have always had I guess the classical approach to parliamentary democracy. That the people should elect members <sup>will</sup> ~~who/decide~~ amongst all the complex questions what the right answers are. It goes back to Burke. It has been beautifully written about by Lord Burke and others and this has been and still is my view. I think if you elect somebody then you should give responsibility to him but I hope I am still flexible enough to say well it is true that we are in another age. It is true that there are instruments of direct democracy which do exist in democracies like Switzerland or the United States. If people like Mr. Lang want to discuss them, I welcome that discussion.

CRAIG OLIVER, CTV: I wonder if I can wring an admission from you on two questions which have already come up. First on the matter of an election, that you would have held an election had you thought you could have won it? Second on the matter of capital punishment. It was clearly closed up to now. Are you saying that the question of hanging, when you get right down to it, the question of hanging is now wide open?



A: On the first question I think the answer is very simple. I haven't had elections when I thought I could win them. You know if that were my basis of holding elections I would have held one last September. I think I could have won then and you probably think I could have won then. I could have made the same argument for somewhere in 1971 when the polls were very high. If I was going to hold an election just because I thought I could win it, then I would have held one at that time so obviously the polls or my feelings about winning or losing are not determining.

Now I would make the same admission in terms of when it looks as though I might not have a majority or where I might lose an election. I certainly wouldn't deliberately call an election to lose it but I also said that I wouldn't deliberately call it to win it in cases when I could have won it.

Now the second question -- no, the question of capital punishment is not wide open. What is wide open -- if you or Mr. Lang or anyone else wants to open it, is the question of introducing instruments of direct democracy into our parliamentary system. I certainly wouldn't let it be opened just to solve shall we say the capital punishment issue. I think people who want to open it should realize that if it applies to capital punishment, it could apply, as I was telling Miss Poulin, to other issues like marijuana for or against it or abortion. Abortion on demand. For or against it. Capital punishment, for or against it. There are some very elemental questions like that that can be answered by yes or no and I repeat what I said earlier. I have never favoured that form of direct democracy but I am prepared to hear argument for it and I certainly don't blame a minister who is putting himself ahead of the others and raising that for discussion.

Q: But basically all we are having is a semantical argument then because if your government and you decide to have a referendum on capital punishment, the question of hanging is wide open?

A: You have misunderstood my answer. I make it clear. My government would not have a referendum on capital punishment. Is that clear?

Q: That's clear.





A: And Mr. Lang didn't suggest it did. What I said, in these three answers so far, is that there are institutions which permit the people to say well notwithstanding what this government says we want to give our opinion on capital punishment and if we collect whatever it is, 100,000 or 500,000 signatures the question will be put in a referendum. My government wouldn't open it. It is not open. It has opened it twice in the past ten years and we will not open it again but the question of direct democracy is something which can be debated but it is not my government which would open the question of capital punishment. Is that semantics or is that clear?

Q: No that's clear now. It took a while though. It took a while.

A: Well you don't always understand too quickly!

STEWART LANGFORD, CBC: Mr. Prime Minister, my question is regarding Mr. Lang's announcement yesterday that there would be a reference to the supreme court regarding the federal government's jurisdiction to abolish the senate unilaterally without provincial consent. The question is since procedurally the supreme court on a reference is bound by the contents of the order of reference and does not go outside that in seeking evidence, and since the government alone frames this order of reference or drafts the content of it, it might be seen to load the deck as it were to use a colloquialism.

Will you consider having the order of reference drafted by the joint Senate-House committee that is now meeting on Bill C-60 and if not that would you consider input say from the opposition in another way?

A: Well I would certainly consider input from both these sources. I have written to the premiers this morning of every province indicating that this is what we were going to do and I believe it is the intention of the Minister of Justice to consult with the Attorneys General of the provinces to see what their views are on the form of the reference so I certainly would accept input by the committee and by the opposition. If they want to suggest some forms of reference on that specific question, I would welcome it.

Q: But would you consider setting up something a little more



formal making sure (and this is slightly out of the ordinary approach, I realize it,) but that this particular order of reference contains the views of everyone and that no one is left out, none of the main movers, the conservative party, the liberal senators?

A: Well I think the law concerning the supreme court is quite clear. It must be the federal government which makes the reference. Otherwise Mr. Davis could have made a reference when he was concerned with the Quebec legislation on workers. Otherwise, Mr. Hatfield could have made a reference when he was concerned with Bill 101 and so on so we must make the reference and therefore we must take responsibility for it, good or bad. I repeat. I am prepared and anxious to have views on the reference. You know I have suggested this on many occasions. For instance, the reference on the off shore mineral rights. I have suggested that if there was going to be one, we should try and frame the reference together and I am prepared to try and frame it together with the provinces if such is their concern and if the opposition has or the parliamentary committee has some views on it, I am very happy to have it. I can't set up a formal structure to take away from us the ultimate responsibility of making that reference because it is there in the law.

PATRICK NAGLE, Vancouver Sun: It is on the same business, sir, the reference to the supreme court of Canada. On the 31st of August, Mr. Lang, as Justice Minister, made a presentation to the joint committee at which time he said and I quote :

"It would be premature to refer this bill to the Supreme Court."

Now what has happened to change Mr. Lang's mind in two weeks, please?

A: Well it is still premature. Not only premature but it is nonsense to refer the bill to the supreme court and we will never do that. Once again in the letter I put to the premiers this morning, I supported Mr. Lang's statement very very emphatically and said section ninety-one one gives the federal government the power to amend the federal constitution just as section ninety-two one gives the provincial governments the power to amend their constitutions and you have been complaining, you provinces, about federal intrusion.



Well this is the worst intrusion that we have seen since the beginning of confederation. The provinces could tell us that we couldn't exercise our jurisdiction under section ninety-one one and I make it quite clear that we are not going to refer the bill or our right to act under section ninety-one one to any supreme court.

Now that is the general answer. On the specific issue of the senate, there has been argument made by Mr. Lederman, argument made by the joint parliamentary committee on two subjects. Not the general right for the government to legislate under section ninety-one one. I think everybody recognizes that except maybe the provinces at Regina (if they weren't distracted in writing their communique which seems to imply that the federal government cannot exercise its jurisdiction except with their consent.) Now this I reject but on two subjects. The monarchy and the senate. The parliamentary committee said well we have doubts about those. You know we don't deny the federal government's right to act under section ninety-one one but this general right to act perhaps should not apply to the monarchy and to the senate. On the monarchy we agree and we are not referring that to the supreme court because we have no intention of changing the provisions regarding the monarchy. What we attempted to do (and Mr. Lang was quite clear on this and Mr. Lalonde too and I believe Her Majesty herself) what we attempted to do was write into the constitution the present theory and practices regarding the monarchy and we say since we don't want to attempt to change it by section ninety-one one, we are not going to refer that to the supreme court but we refer it to you, provinces, and to you Committee. If you can describe more effectively and more accurately in legal language what the present situation is, let's hear it and we will put it in. We don't want to refer it because we don't want to change it. In the case of the senate we do want to change it and you provinces too want to change it and Mr. Clark's party wants to change it if I read his constitutional provisions correctly and Mr. Davis' party wants to change it if I read the Ontario Advisory Committee on the Constitution Proposal and the Bar Committee wants to change it and the Canada West foundation wants to change it. I think everybody wants to change





the Senate except, you know, the Senate. Everybody wants to change it and I say there has been doubt expressed as to whether we could or not change it under section ninety-one. I share Mr. Lang's view that we can and will win the case but I see nothing lost in referring that particular question to the supreme court because since everybody wants to change it we should continue the discussion on it in the committee and at the federal-provincial conferences and try and agree on a method and if we agree on a method then we will be able to withdraw the referral to the supreme court because then we will be changing it by agreement rather than federal action under section ninety-one one. We will go to Westminster with it, with the agreement of the provinces but if we don't agree on it, then it would be useful for the federal government to say, well we have the supreme court to tell us that you can change it unilaterally and we will change it. If the supreme court says you can't change it unilaterally and we haven't agree then obviously we won't change the senate but there will certainly be pressure on the provinces and the federal government to find ways in which the senate can be improved if such is possible.

Q: Well just briefly, sir, when can we expect to get copies of your correspondence to the premiers on this matter?

A: Two or three days I suppose. I signed it today. It will be in their hands on Monday. Over the weekend. You can certainly have it on Monday.



JACQUES RIVARD (Radio-Canada): Monsieur le Premier Ministre, sur la question relative à la prochaine campagne électorale, vous avez dit tout à l'heure que l'on pouvait s'attendre à la tenue d'une élection, présumément, au printemps prochain. Alors, il y a des experts constitutionnels - qui, s'appuyant sur l'Acte de l'Amérique du nord britannique, la lettre de l'Acte, pensent qu'il vous serait possible de retarder d'un an cette campagne électorale. Est-ce que cette possibilité vous y pensez aussi, ou, si dès aujourd'hui, vous l'excluez?

R. Oui, j'exclus cette possibilité-là. J'ai dit, au printemps dernier, qu'il fallait songer à des élections au printemps prochain. J'ai espéré qu'on n'en parlerait plus pour un bon moment. On a continué d'en parler. Tant pis, tant mieux. Mais, là, je dis carrément qu'il me reste à faire une élection au printemps. De savoir à quelle date du printemps le vote aurait lieu, ou les brefs seraient émis, cela je ne saurais vous le dire, parce que je ne le sais pas. Mais, ce ne serait pas mon intention d'inventer une quelconque théorie constitutionnelle pour retarder, comme vous dites, d'un an. Je ne sais pas si c'est possible, mais ce ne serait pas mon intention. Certainement que j'appliquerai la Lettre de la Constitution telle que communément comprise, et telle qu'appliquée au moins dans deux ou trois autres cas par des premiers ministres qui sont allés jusqu'au bout des cinq ans.

Maintenant, quand je vous dis le printemps, je ne suis pas pour préciser davantage, sauf ce que j'ai répondu tout à l'heure, c'est que nous n'aurions pas d'élection à l'automne.

Q. Une autre question. M. Turner a envoyé des circulaires un peu partout aux industries sur certains membres de votre Cabinet. J'aimerais savoir si vous





avez des commentaires sur cette attitude de M. Turner?

R. Non, je n'ai pas de commentaire. Je n'ai malheureusement pas lu encore ce qui est sensé avoir été écrit par M. Turner. Je me propose de le lire quand j'en aurai le temps. Mais, on m'explique également qu'il a envoyé une lettre d'excuse, alors, c'est plutôt au ministre qu'il a attaqué à qui vous devriez adresser la question.

LUC LAVOIE (TVA)

Monsieur le Premier ministre, la semaine dernière, deux ministres du gouvernement québécois, suivis du Premier ministre, ont laissé entendre que la question du référendum pourrait porter sur une question fiscale, par exemple, une question où l'on pourrait demander aux Québécois, c'est ce que Laurin a dit: est-ce que vous voulez continuer à payer des impôts à deux endroits ou est-ce que vous voulez, à compter de maintenant, payer les impôts seulement au Québec? Est-ce que, de votre point de vue, ce serait une question qui pourrait trancher le débat sur l'indépendance du Québec?

R. Bien, je trouverais cette suggestion plutôt comique. Je pense que M. Lévesque a déjà dit, dans un autre contexte; ce n'est pas la trouvaille du siècle. Parce que, si j'ai bonne mémoire, M. Daniel Johnson l'avait déjà proposée à une conférence des Premiers ministres, vers 1968 ou 1969, alors que j'étais présent à une conférence des Premiers ministres. Il est venu en lisant un mémoire disant que le Québec demande cent pour cent des impôts. Après cela, on a passé à autre chose, et puis on n'en a plus entendu parler. Si M. Lévesque ressuscite cette question, et bien, cela prouvera ce que j'ai toujours dit, c'est que le séparatisme est mort. La preuve, c'est que le parti séparatiste lui-même n'ose pas demander aux Québécois s'ils sont pour ou contre.



Permettez-moi d'ajouter à cela que si par hasard, c'était cela le référendum et que M. Lévesque venait à une conférence fédérale-provinciale armé d'un mandat pour demander cent pour cent des impôts, on lui dirait d'aller se rhabiller.

BRUCE PHILLIPS, CTV: Mr. Prime Minister, I wonder if you could respond firstly to a number of published reports that at Bonn you were given a much blacker view of the future of the Canadian economy than you were getting from your own advisors which was one of the reasons that prompted you to take some of these steps that you have subsequently and secondly, could you give us some insight into the consensus of your own chief economic advisors now about the likely prospects for the Canadian economy over the next six or seven months. Is there any genuine expectation of a real upturn or are we likely to continue, in the view of your people, to continue to have high inflation and unemployment through the next year or so?



A: Well on the first question the answer is an emphatic no. I was not painted any such black picture by any of the participants in the Bonn summit. The truth is I think they all know that the Canadian economy has out-performed their own whether you take the last ten years or the last half a dozen years since the OPEC crisis and, you know, this they know and I think it has been demonstrated in the OECD publications and so on and for a greater certainty, you know, I can go through them again. I have given the figures before in terms of purchasing power, in terms of the value of the dollar and in terms of rate of job creation, in terms of rate of inflation, in terms of take home pay or effective income after taxes and so on. Canada on average has out-performed everyone of the OECD countries. I think they know that. It is not always realized in Canada but they know that and they didn't try to paint any black picture to me. The modest or immodest truth is that they just assumed that Canada was doing reasonably well and when we were drafting the communique there were no demands put on Canada. They had demands to put on the United States, on Japan and on Germany and those demands were spelled out at some length and we volunteered as I believe the Italians did and the British did to some paragraphs concerning their own attitude and I attempted, in the small paragraph concerning Canada, to reflect the views which were current at least in the government and which had been made public by Mr. Chretien in the spring budget. That is we would try to reach a growth rate of 5%, up to 5% were the words employed at Bonn by the end of this year. Now that is still our hope. You are asking me about employment and inflation. I can only say that the economic measure taken in the budget taken particularly last June when we made specific announcements concerning small business and research and development and other such things, energy packages -- the announcements made after the Bonn Summit on August 1st, in my view will improve <sup>not only</sup> the economy in general but are beginning to show their effects hopefully in the fight against inflation and in the rate of job creation. We have consistently been doing better in the last several months than the ten year average in terms of job creation, the ten year average being in terms of 250,000 jobs a year.





Well last month the figures were we were creating something like 400,000 jobs a year and this month it is 360,000 new jobs a year so I am hoping that the improvements following upon these specific measures short term and medium term will become apparent in the course of the year. The longer term or structural or framework policies are still extremely important. These are the ones we dealt with in February. These are the ones I attempted to have my colleagues deal with in Bonn and these are the ones I hope which we will be discussing again in the federal-provincial conference in November because there are some long term problems. The simplest one to grasp is the fact that we are now on a high priced energy economy whereas a few years ago we were on a low priced energy economy and this simple new fact has vast implications in terms of capital intensive versus labour intensive investments and so on and, of course, I repeat the Way Ahead published in 1976 indicated that we were going to try and simplify government, reduce overlap, diminish the powers of the bureaucracy and the impact of government on the private sector and so on and these are all steps which have been taken in the course of the year and which were brought to a culmination in my announcement of August the 1st.

Q: Well I would like to repeat the question if I might and that is to ask you for a forecast of the short term economic outlook for the next six or seven months?

A: Forecasts of exact figures I can't give and we don't usually give. In a budget we try to indicate what will be the general parameters in terms of growth. Mr. Chretien has spoken of 5% real growth by the end of 1978. That certainly will not be attained as an average over the year because of the very low growth in the first sector, in the first quarter. In the second quarter we came much closer to it. Four and a half in terms of growth. In the third quarter and fourth I still hope but I have no particular insight on it, nor have I particular information. I still hope that we will reach five. It may not make five as an average but if we can reach a growth rate une vitesse de Croisiere of five, I will be very happy and indeed I believe we would be the envy of all of the OECD countries <sup>who are talking</sup> /in terms of a much lower rate of growth but I am sorry I can't be more precise than



that because I don't have a real crystal ball.

MARY TRUEMAN, Globe & Mail: Mr. Trudeau, you said that you were open to discussion on the question of referendums on simple subjects such as capital punishment. Then a few minutes later you said that your government would not hold a referendum on capital punishment. Is the discussion closed or what is the point of a discussion? Is it open or closed?

A: Well for the fifth time I will talk about something called direct democracy even in a system of representative democracy. Direct democracy means that in some countries like Switzerland and in some states in the United States the people can take the initiative away from the government and even if the government votes say certain positions on -- let's change the subject -- let's say on marijuana the people can still say well we want to have a direct say. We don't want to listen to the laws made by our representatives. We will open the subject and we will make the laws ourselves directly. All right? The government doesn't change its position on the subject itself but if you introduce instruments of direct democracy, it can happen and it has happened. I guess proposition 13 is an example in California where the people directly said well whatever the budgets were written down by the government, whatever the expenditure forecasts were, we are going to slash it directly and we will override the government. So what can Governor Brown do? He said, well, you know, I campaigned against it but the people under the law or under the constitution are telling me that I must do a certain thing. I will listen to the people.

Q: Are you saying that it is somehow conceivable that a referendum on capital punishment could be held during your term of office at someone else's initiative or something of that sort. Is that what you are saying?

A: I don't know how long you extend my term of office. It certainly couldn't happen before the next federal election.

Q: Could it happen with you as the leader?

A: But if I keep office for another few parliamentary terms, it is conceivable that we will introduce instruments of direct democracy. This is the debate which I said has been opened.





Q: And the result could be a referendum on capital punishment during your term of office as leader? Could it be?

A: It could be that. It could be on other things. It would depend, once again, if the constitution of the country permitted direct democracy.

Q: Would you be bound by the results of such a referendum if it were --

A: That is the way these referendums work.

Q: Could you not see how this is somewhat confusing for us --

A: I know it must be confusing but just think of California. Think of Proposition 13 that people have heard about.

Q: Yes.

A: Now is United States a democracy? Is the State of California a democracy? Did the governor and the legislature have power to make certain laws and budgetary provisions? The answers to all of these is yes. Notwithstanding that the people could upset the decision of their government without upsetting the government itself.

Now this doesn't exist in Canada. I am just trying to explain that this is the question I take it that Mr. Lang wants to raise with the people.

Q: I just want one more question, sir.

A: No. Let's have one more question.

Q: Is it conceivable that while you are prime minister we could have a return to capital punishment through this very complex process we have been talking about or would you quit?

A: Well, you know, I would be tempted except it might confuse the question even more to tell you to read my speech. I never said I was against --

Q: Which speech is that?

A: Capital punishment for any moral or reasons of principle. You know I said I could be convinced that capital punishment would be the right thing if it were a deterrent.

Q: You could still be convinced?

A: Yes. Do you want to try to convince me?

Q: No not right now.



(Not checked against delivery)

Q. If the result of these by-elections that the country is facing is negative and the opinion polls continue to show that the Liberals will have a tough time electing a majority under your leadership, would you consider resignation if you felt that eventually that your leadership was dragging the Party down to defeat?

A. Well, it's all hypothetical isn't it Peter?

Q. The opinion polls aren't hypothetical. We've seen some evidence of difficulty ahead in the opinion polls for the Government.

A. Oh yes. There are ups and downs. It depends when you take opinion polls. If you had taken them a year ago, you would have seen me very very high up, a year before that quite far down. So they obviously move up and down and I think it would be an unwise man who'd concern himself at any particular time in the cycle about what his future tomorrow will be to space on opinion polls. I was chosen Leader of the Party, I'm Prime Minister, I've got a majority in Parliament and there is no reason why I should consider not going into the next fight and winning it. It's as simple as that.

Q. There are many of us in Ottawa who feel that one of the obstacles to a resignation if you eventually considered it would be the fact that your most obvious successor still is John Turner. Would you consider that that's an obstacle?

A. If I were resigning it would be because I thought that I was no longer the best man to lead the Party and then I would really rely on the Party choosing who the best man to succeed me is. Just as Mr. Pearson did back in 68. It's not a choice I would make or attempt to determine. But you know Mr. Pearson made this decision. You say the obvious man is Mr. Turner. I understand he's been the obvious what for six or eight years and perhaps ten. Well, certainly that hasn't changed my conduct, for instance my decisions.

Q. If I may change the subject for a moment from the leadership to the door. You say I think that our economic performance has been as good



certainly or perhaps even better than that of any other Western nation over the past decade but the Canadian dollar is now at its lowest level I think since the depression which is really an unflattering indication of what the rest of the world thinks of our economy. How do you respond to that?

A. Well, two points. The earlier statement you were quoting about having us perform better, I would say if you take over the recent period, decade in which I've been Prime Minister you take the currency which has lost most of its value, Canada doesn't come low down. I think it comes third. Probably first the German currency, then the American, then the Canadian. You take the franc, you take the lira, you take the peso, they've all lost, you take the Japanese yen, they've all... some of them have done well in the last year or two but over the period the Canadian dollar is the one that has kept its purchasing power amongst the very top ones. And you take every other in days like this: employment creation; the number of jobs created in a year -- Canada is far ahead of anyone else. In terms of purchasing power of the average Canadian over ten years Canada is up in the second or third highest. So what I'm saying is that in spite of the present situation you have to look at the performance of Canada over this period and ask yourself if it has done better or worse than most and the answer is that it has done better. The dollar itself I can't say that I'm particularly happy that it's at any particular value but there is no magic reason why the Canadian dollar and the American dollar should be worth the same thing. If the Canadian dollar is worth less as is the case now, what does it mean? It means we can sell more goods to the United States and we import less. That in other words a lower value to the Canadian dollar means more jobs in Canada. That's not a bad thing.

Q. How far down can it go, Prime Minister? I mean 80 cents, 75 cents? You hear figures being band-aided around. How far can the dollar sink?

A. Well, I guess no one knows. If they knew, someone knew he would be making a lot of money speculating on that. Maybe it will go lower, maybe it will go higher. No one knows. It's the... all the \_\_\_\_\_ and the money market who're going to make this decision.

Q. How far down could it go before it became politically dangerous for you? Or do you think it's....





A. I don't think there is a trigger point. You could have asked in the early 70's how far down the American dollar should go for me to be safe. You know we're worth considerably more than all these currencies we're talking about in 1972. We were worth more than the American dollar. I wasn't particularly safe in political terms in 72. So I don't think the linkage is there. I think the health of the economy is important, the judgment of the money markets of the world cast on Canada is reflected as you say in the value of the dollar and the opposite think at this time in terms of the Government but in terms also of the productivity of the economy, the confidence of the Canadians in their future, the self-assuredness and the inventiveness of the entrepreneur they say we're not doing too well. That's what they're saying, but I see no reason why this cannot be changed because their judgment is based once again on psychological factors. Why don't have Canadians have confidence in the future? You know this film you were showing, why does everyone as you've done paint the black picture of it? You could have made the same film and shown that we've created jobs at a rate faster than any other country in the world but because of the baby boom, because of the entry of new people into the labour market, our economy though is growing very fast is not absorbing all the jobs. So it really depends whether you have confidence in yourself and if you do then the country is going to great places. If you don't, it won't.

Q. Well you're going to have to deal with it in the next few months though with the electorate on this issue and I would submit to you that from the vantage point of the average resident of Southern Ontario that the fact is that the falling dollar has now forced that interest and mortgage rates again, despite wage and price controls the inflation rate is running at about 9 per cent, nearly a tenth of us in the work force are unable to get jobs. How do you explain to the average Canadian that he is doing as well as you seem to think he is?

Q. Well, if you're talking about the average Canadian I guess you've just shown the figures. The average Canadian is not badly off. If you look at the polls that are taken by Mr. Gallup and others you say, you ask: Are you better off now than you were last year? Something like 60 or 70 or 80 per cent say yes. But then you say: What do you think of the future? Oh, I'm not too keen on it. You know they're afraid of the future but they're doing well



in the present. So it's... this is a reflection of our psychology. They're doing well this year, they were doing well last year -- all the figures prove it -- but they're worried about the future and I don't blame them. We're living in an uncertain world. The Germans are worried about the future and the British are worried about the future.

Q. You seem to be saying that we should accept 9 per cent unemployment, that we should accept inflation that goes up into the double digit figures.

A. Not at all. If we accepted that we would not have brought in controls if we were happy with double digit inflation. And if we were happy with the rate of unemployment, we wouldn't have announced in our budget last Spring that we were cutting sales tax, we wouldn't have this Summer brought in great new programs to create jobs and wouldn't be bringing in incentives to hire the young people, giving the employer \$1.50 per employee so that he can...

Q. The statistics are still worrisome and it's not just a lack of self-confidence.

A. Of course, but it doesn't mean that we shouldn't be doing something about it and I'm not suggesting that. I'm suggesting that when you have the fastest growing labour force of the industrialized world -- it is our case -- and have the fastest or the second fast after the United States fastest rate of growth of employment you put the two together and you can have an economy which is surging ahead in terms of job creation but still there is unemployed. So what... you must tackle this problem and that's what we're doing. We know that by 1982 about, the demographic curve will be down and we will be short of workers. So then it's a matter of between and during the next four years of saying okay how can we make sure that the workers that we have now they will be trained for the jobs that will exist then, that we won't have to give them to people that we will bring in from abroad.

Q. A lot of this has to do with attitudes. Let's get talking about attitudes for a moment. I think that people's attitudes towards you have changed a great deal over the last ten years although you aroused strong emotions then and arouse strong emotions now. But I think people think that your attitude towards them has changed in ten years. True or false?





A. I don't know honestly. I don't think it has. I came in to pursue certain ideas and certain concepts of Canada and I still am. And I think I've always liked people and I still like them.

Q. But in the beginning it tended to be as I recall it there was more emphasis on participatory democracy, on the fact that the leaders are elected to lead, to carry out the wishes of the people. Now you seem to be telling them to suppress their rising expectations, to stop bitching about inflation and French on Corn Flake boxes and to count their blessings. Isn't that what you're telling them now, isn't that different?

A. Certainly, it isn't what I'm telling them, certainly not only what I'm telling them and it's not different in the sense that you recall the 72 campaign that the land is strong and all that, count your blessings Canadians. I guess it's not good for a politician to tell them that because in a sense things that do go wrong we are responsible for at least in part. But I'm not changing my message and leadership and participatory democracy are very hard to put together. I believe in both. On the one hand, when you tell the people we want to know what you think and I haven't changed in that sense -- I still have the town hall meetings and I've had perhaps more meetings with labour and management than other groups in Ottawa in the past 2½ or 3 years than they've had even in the earlier years. So I still try to draw people's thought in when I was campaigning this week with John Evans in Rosedale. I was not going there to tell them anything. I was going there to listen to what they had to say. But then leadership has to come in and say well having heard all this, we think we should go forward and we think that there is a good future for the country. So I don't see any contradiction nor any change. Whether their attitude towards me has changed it's something for you to say.

Q. Mr. Prime Minister, let me talk about one direction in which you're leading the country. You proposed a new Constitution for Canada. Are you willing to stake your political future on achieving that Constitution within the timetable that you set for yourself?

A. What do you mean stake my political future? Sort of say if we don't do it by the 1st of August or 1st of July, if we don't have certain bills through? Yes. The timetable is there anyhow. I'm going to



have an election some time this Spring or early Summer and that's...

Q. I mean you would regard that as something that the Canadians could judge you by whether you succeed or fail in this effort? Is that important?

A. Yes, I think it's extremely important in terms of the self-confidence we're talking about. We talk mainly about the economic self-confidence. But think of this, that since 1927...

Q. You said "the Canadians judge me and vote for me in the future according to whether I produce that for you or not".

A. No, I don't think that it's as simple as that. I see the change of the Constitution as a sign of resolve by Canadians that they can deal with some tough problems and if they don't show that resolve neither me nor any other leader, neither I or any other leader is going to be able to do that. Okay, when I say that I'm thinking of the 51 years that under six Prime Ministers at eight different attempts we haven't succeeded over 51 years in making our Constitution a Canadian Constitution. Now you know to me this is a sign of dismal failure by Canadian politicians, then perhaps a failure support by the Canadian people.

Q. Is that an issue that you can dramatize during an election campaign? Well, all it has done so far is to stir up tremendous opposition from the Senators, from the Provincial Premiers.

A. It has been stirring opposition for 51 years I think, but if Canadians cannot support a government which is saying: "After 51 years of attempting to get agreement, we will at least bring in some changes which can be brought in under the Constitution by the Federal Government", I'd say the country is not worth a dime if Canadians can't show this will and is proud. You know we can't go on failing for another 51 years. There is not one independent nation in the world that doesn't have its own Constitution. Britain, France, Italy, the Fiji Islands, Western Samoa, Jamaica, Guyana, they all have their Constitution... Canadians haven't succeeded. Six Prime Ministers have attempted it. Well, I'm attempting it and I'm darn well determined to succeed.



Q. What would a failure mean to you?

A. Well, I think that the political will to move forward, to exist as a country has eroded in this country. That's what it would mean.

Q. Recent Gallup poll indicates that English-speaking Canadians outside of Quebec are now more in favour of separation than Quebecers inside Quebec. Doesn't that indicate secession...

A. Separation of Quebec?

Q. Yes, the poll of this week. Doesn't that confirm that the English Canadian feeling of alienation from the country as a whole is now greater than the French Canadian feeling of alienation from that same country as a whole? And don't you have to consider the possibility that the big question today is not so much what does Quebec want but what does English Canada want?

A. Well, I think we have to know what English Canada wants as well as Quebec. And one thing is obviously that English Canada and French Canada are taking a long time to decide what kind of a political system they want to live in, what kind of a Constitution they want to have. So the question is there. I don't know about the particular statistics. I'm surprised to hear you say that a large number of English Canadians want Quebec to leave.

Q. Twenty-two per cent in the Prairies as opposed to say 12 per cent in Quebec I think were the figures.

A. Well, I don't seriously think they mean that, you know. I think that if you really went to the Prairie people and asked them: Do you really want this country to break up? and if you explain to them the cost of not breaking up. You know, at least they think we have to force the Prairie people to speak French to remain in the country as unfortunately has been told to them by some people who are misinterpreting our policy. They say to you: I don't want to speak French. I live in Medicine Hat or Saskatoon and I don't want to have to speak French to buy my stamps and my bread. And they're right. And some people think that keeping Quebec in Canada means that and as they think that we just have to explain to them that's not what it means. When we say "Keep Quebec in by making French an official





language", it just means that people in Quebec, some four million of them who don't speak English, who don't know English, will be able to talk to their Federal Government in French. But the person in Medicine Hat, or Saskatoon, or Hay River, is not going to have to learn French, he'll just talk to his Federal Government in English and that's very simple. But if you... I don't know how the question was asked, but if you say "Would you rather keep Quebec in or would you rather let it go if it means you don't have to speak French the rest of you" they obviously would say "Well, I don't want to speak French the rest of my life, so let Quebec go." We know that's not the choice. The choice is we can keep having a strong united country with the people in Saskatoon speaking English to the Government and the people in Trois-Rivières speaking French to the Government and that's not really difficult.

Q. Prime Minister, let me ask you a personal question.

A. I answer those.

Q. Well, I'll ask it anyway. In a recent magazine interview, your wife indicated that she felt she had some hopes of a reconciliation and there would be political effects from that of course.

A. Well, let's talk about your marriage, Peter.

Q. I'm separated.

A. Tell me more. Why are you separated?

Q. It didn't work out.

A. Now do you think that there is any hope to reconciliation.

Q. I'm out in this case.

A. Why don't you work at it?

Q. Perhaps I could take a lesson from you. It's alright. I'll answer some questions, but I'm not a politician. My personal life really is not of interest to say the people in the country.

A. Well when you can talk... but don't talk to me about it.



Q. Well, I'll accept that Mr. Prime Minister. Let's talk about the children. The last time the three of us talked together, you made the point that you were committed to try to keep this country together because you didn't want to have to face the kids "x" number of years from now and say I couldn't do it. What you do with...

A. I was talking about your kids, my kids, all the kids.

Q. Right, right, but what do you do with a kid who comes to you now who is 14 years' old and she says "Dad, this is a bigotted two-bit country and when I grow up I'm going to move to the United States." How do you handle that?

A. Well, I'd sit down with her and ask her why she thinks it's bigotted and two-bit and try and find out what her perception is and hopefully prove that it's wrong. Why do you suppose she thinks it's bigotted? Because she has heard a few narrow-minded people. But you know...

Q. Because she has read the newspapers and listened to television.

A. Well, tell her what I tell my kids: Don't watch television, there are so many more important things to do. You know, if they watch television it's a very special treat. And kids of three or five should have other things to do if possible.

Q. Right. Prime Minister when we talk about -- if I can get on to a more comfortable subject for myself -- repatriating our Constitution. We seem to have less and less control over our own economy. I was in Washington recently and I came to realize there that the pipe-line that we're talking about in the Arctic really depends on whether a certain bolt goes a certain way in the U.S. Senate. Is there any point in continuing to talk about repatriating our economy or should we accept as inevitable the fact that our economies are perhaps coming together even more closely than they have been in the past?

A. Well one thing we learned at the Bonn Summit again was the great interdependence not only of Canada and the United States but of the six other industrialized countries on the U.S. energy policy. You know that's the only thing they asked Carter. They didn't ask him about unemployment and they said "Do something about your energy policy." So it's of concern





to us and it's of concern to the whole world. The pipe-line will be of immense benefit to the United States and to Canada, therefore we can only hope that it will come through the hurdles. But it's not the only thing we can do. We had been banking on that because the Americans themselves asked us to hurry up and get the legislation through, which we did. And now they're having a bit of difficulty themselves, but if it shouldn't come through you know we don't absolutely need that particular pipe-line. We can build another. We can build a gas pipe-line from Montreal to the Atlantic Provinces. We can develop the Lower Churchill Falls. We can think of tidal power in the Bay of Fundy. There is an immense amount of important....

Q. You see the project being in some jeopardy in fact now?

A. No, I don't. I just think that if in a reasonable amount of time the Americans decide that they are not going ahead with it, we'll move ahead with other... I don't think this will happen frankly. I know there is difficulty but I think that they will move ahead with it.

Q. I'm really talking about economic nationalism in fact and the fact that during your term -- I've always been an economic nationalist more or less -- during your term as Prime Minister, we really don't seem to move very far in that direction at all in terms of repatriating and gaining control over our own economy. If anything, we seem to have been drawn even closer into the American orbit despite a lot of talk about.

A. Well, I don't think the facts really bear that out because we have a Foreign Review Agency which purpose is not to keep American or German or Japanese investments out. Its purpose is to make sure that if they come in, (a) they bring benefit to Canada and you will see that in a great number of the deals, the deal is allowed on condition that by five years from now 51 per cent of the stock will be held by Canadians, and therefore it's not rejecting foreign investments but it's making sure that in the long run our domestic economic environment is more...

Q. I understand the way the agency works, Mr. Prime Minister, but I'm talking about the actual, the American presence in the economy has really not been affected by this very much. Maybe we should stop talking about it and just resign ourselves to the fact that...



A. Well, I don't think if you're an economic nationalist that you would favour the abolition or fear of the Foreign Investment Review Agency. It is there. It's not keeping capital out, it's just making sure that when it comes in it's of benefit to Canada. And surely this is at least our Liberal pro...

Q. Mr. Prime Minister, in ten years, I think it's fair to say that you've inspired a great many people not just in Canada but around the world with the boldnesses of your attitudes and your ideas but it seems to me in retrospect that when you consider Mr. Trudeau is a man of action as a leader and a legislator that your deeds have been rather chaotic by comparison. Is that a fair judgment do you think?

A. By comparison with who for instance?

Q. With your own attitudes and ideas which all of them have been bold and exciting, which have caught people's imagination.

A. Well, I think I was saying back in 1968 that the ship of state is a very big ship to turn around and if you want to give it a new direction it takes a long time. It can be frustrating and I suppose that's why a lot of people come in and out of politics. The important thing is that you set goals and you move towards them over a longer period of time and sometimes it may mean you changing your methods providing your general goals are there. You know I never expected a rapid fire progress and one would have to look at the ten years and make a statistics of it and say "Well, what have you done and give the answers." It's a...

Q. Prime Minister, let's move towards the end of the conversation by going back to the beginning. You talked about the film that we ran. It seems to me that was an illustration of something that many prominent  
feel  
Liberals/that somehow the media really is the main opposition to the Government and I know personally that not since the darkest days of the Diefenbaker era have we had a press gallery in Ottawa that is so hostile to the Government and perhaps hostile to the Prime Minister himself. All the Government's actions are transmitted to the public through this hostile medium. Is that your assessment? Is there anything that you feel that you yourself and the Government can do about that?



A. Well, I think the role of the media is extraordinarily important in democracy. It does transmit the actions and the messages of the Government. I hope that that very important institution will be one of quality. And you could ask me that question about the media, you could ask me about the judges or about the Senate or the House of Commons, about the church, and I'd say these are all important institutions. And I hope that they will draw to them people of competence, of skill and of honesty and...

Q. Do you feel that you are faced with a hostile press in Ottawa?

A. I think probaly the majority of the press are critical of me. But I don't find that particularly distressing and I think if I were in the media I'd probably write critically of people in office. As a matter of fact, when I did publish a magazine I was being critical of the government and that is why I suppose democracy is a good system, if that people... even if the government is doing well they're being told all the time that it should be doing better.

Q. Prime Minister, I'm sorry to interrupt. Thank you very much.

A. You know on that subject, I think...





PRIME MINISTER'S INTERVIEW WITH BILL MCVEAN OF CFRB-RADIO  
IN TORONTO ON SEPTEMBER 28, 1978

(re: the dollar, unemployment, unions, bilingualism)

Q. Mr. Prime Minister, probably to Canadians the value of the dollar is second only to the pride we take in our flag. I know it's an emotional issue and a low dollar value helps our sales abroad and all that sort of thing, but when you have to keep running to the world money markets to float loans at great interest rates to save the Canadian dollar isn't it time to do something rather drastic but I don't know what?

A. Well, you're not really trying to save the dollar. The dollar is like any other commodity. Its value is established by supply and demand. So too many Canadian dollars floating around the world, its value falls just like if there is too many apples on the market when the price goes down. But what does it mean? It just means -- and you indicated it -- it means that when the Canadian dollar is worth less we have to pay a premium to buy imported goods. You know if you want to buy those Italian shoes or that French dress, British leather, you have to pay more because your dollar is worth less.

Q. Isn't 90 cents just about the level it ought to be to accomplish these things, to make ourselves competitive on the world markets?

A. Well, I mean ask any buyer and most buyers will tell you if we can get a 15-cent discount we'll prefer that to a 10-cent discount. So it means that the buyers on the world markets who are looking at goods produced in Japan and in the United States, in Germany, in France, in Britain, say well, we can get the same thing in Canada but for 15 per cent less, 15 per cent discount. So that means if they'll buy here it means we'll be working more to produce it. It means that we'll have more employment and more jobs, so that doesn't seem like a bad thing.



Q. When we talk about living beyond our means -- and I'm living within my means -- I wonder if the country is living within its. For instance now, we've got in the hock for almost \$2 billion a year interest on the money that we're borrowing to prop up the dollar if that's the proper phrase and I'm sure you're concerned about this, but are we just going from bad to worse? Do we need a little more drastic surgery on this some place?

A. Well, living beyond your means is obviously never a good thing and it's certain that for a period in the early 70's Canada was enjoying great prosperity. It was, it didn't suffer the recession that existed in the United States and all the other countries. In other words, our economic growth didn't fall back. It kept proceeding and Canadians began to feel that they could buy more of everything all the time. When they do this and they work less hard and their prices go up, of course it means that we will be as I say buying more foreign goods than our own and it will mean there will be too many Canadian dollars floating around and it will mean the price falls. But the beauty of it is that it is self-correcting. If the Canadian dollar falls, it means that foreigners will be buying more of our goods because they're cheaper and we'll be buying less of the others. Now this corrects the living beyond your means. When you realize that it costs you 10 or 15 per cent more to go to Florida for your vacation, then you don't go to Florida. You go to Cape Breton or to Banff or something like that. So that means living within your means as a Canadian.

Q. I'm not an economist, it seems to me I've heard that it's hooked to inflation and when your dollar gets down so far than you have an inflationary problem. One thing feeds off another.

A. No, what you do have technically is a higher cost for your goods. It is not the same as inflation. If your dollar is worth less, obviously you'll pay more for your imported things and because we import a lot of oil and we import a lot of foodstuffs from Florida and California and Mexico and Israel and so on you're paying more.

Q. So I'm not getting any more money though in salary in other words, and they are going down...

A. In that sense, you're forced to live within your means.





Q. But isn't it, now I'm not an economist and I don't pretend to understand so many of these things, but isn't this a negative psychology thing? People are sitting around watching the value of the dollar go down and they say: Good heavens, what's happening to us? You know you go to Buffalo and you can't buy anything because they'll only give you 80 cents for your dollar -- 80 plus a little bit. Does the psychology part of this bother you?

A. On the contrary, it's helpful if they react the way you do. If they say: Gee, it's costing me more to go to Buffalo to buy my things, maybe I should stay in Canada and buy them here. If they draw the conclusion that they're a little less well off than they were when the dollar was worth \$1.05 American as it was between 70 and 75 about, or \$1.02, \$1.03, if they draw that conclusion we're not so well off that we can buy as many foreign things as before then they are living within their means and that psychology is good.

Q. Okay, one more question. Let me ask you one more question. I don't think anybody ever solved their financial problems by borrowing more money when they were in hock which it seems to me is what the Canadian Government is doing.

A. Well, what do you mean by in hock, Bill?

Q. Well, we seem to have a financial problem, so we're borrowing more money to solve the financial problem.

A. Well, we don't actually. The size of our national debt today is considerably smaller compared to the total wealth in Canada than it was 20 years ago or 25 years ago, considerably smaller. The danger is that we would not realize the danger signals that you're pointing out of the lower value, lower Canadian dollar and still want to be as rich as before, still want to spend as much abroad and produce less. The consequence of that would indeed be drastic because then if it continued for a very long time, in other words if -- in your example, you said: Well I go to Buffalo and my dollar is worth less, so darn it I'm going to make sure that when I come back I'm going to get my salary increase or wage increase to compensate for the fact that I'm not as good in Buffalo as I was. Then the country begins to



go in hock. But if you come back and you say: Gee, it means that compared to the Americans we are not quite as productive and therefore we'll have to pull in our belt a little bit and not expand as fast. Then on the contrary it's good for the economy. So we're not really in hock. Our total borrowing is not as I say as big as it was 20 or 25 years ago, but it could be serious if we don't look at the danger signals and continue to try and live beyond our means to use the expression you used at the outset.

Q. Mr. Prime Minister, I don't think I trust unemployment figures because they don't separate the voluntarily unemployed from the other kind and I also see more want ads in the paper than people lined up for work. Is it possible that we've created a kind of a welfare state by making it so easy and even comfortable to live off society without working that hardly anybody is really seriously looking for jobs and that these are the unemployment figures we see?

A. Well I think you're trying to be provocative, Bill.

Q. Yes, I am.

A. I think that if you go any day, go down to the Manpower Offices here in downtown Toronto you'll see that there are a lot of people who are earnestly looking for a job. So it is a serious problem and I don't think that we can write it off by saying: Well, you know there is too many lazy Canadians. They'd rather not work, they'd rather receive unemployment insurance. I'm quite convinced that the overwhelming majority of people on unemployment insurance would rather get back to a steady job. Now, that doesn't mean that there are not some that are ripping off the system and some who will work for 16 or 20 weeks and then say: Okay, I'll draw unemployment insurance for 30 and then you know just knock off the job and take a vacation -- and won't even be looking for another job. And it's to weed out these excesses that we have constantly tightened up the administrative process.

Q. Well, there is the human element as well as the statistical element in this thing, but at the human level do you know any poor people who are starving to death in Canada? Do you know anybody who has left a baby on a doorstep because they can't feed it?

A. No, I think that there are probably some native peoples who are really very badly off. But by and large, even they are not starving, some



are badly nourished, but I think you're quite right. And you could use statistics again to show that the percentage of poor today are considerably less, about half as much less as 10 years ago. And that's why we have Canada Assistance Plan. The Federal Government pays half of the money going to the single parent family who can't find a job or the blind, or the crippled, you know who really can't work. So in that sense, even those who can't work regardless of the unemployment situation are not left to starve. And thank God, we have a compassionate and human society. And the area of medicare, hospital care, we've made sure that nobody is lacking in medical services and hospital services for lack of funds. So in that sense we have made sure that we would underwrite you know the basic needs of all Canadians, including housing.

Q. That's at the creature's comfort level now but doesn't it extend even beyond that because it's quite profitable for some people to not work at all. They can make more money by being on unemployment than they can by working and then if they go and work and they get a little side job and try and bolster their income they lose the unemployment. What I think I'm trying to say is: Are we building a society of people who find it profitable to not work?

A. Well, once again there is a percentage to be determined of people who would rather draw, be on the dole or draw unemployment insurance than to work.

Q. Is that a big percentage?

A. I would say it's quite small.

Q. Because I know a restaurant chap in town who can't find dishwashers because they figure they can make more money being unemployed than they can working for him.

A. Now mind you, if it's being unemployed on unemployment insurance, that is probably true. A man who earns \$150 a week or a woman who earns \$150 a week can draw unemployment insurance if she has been fired or if the business has gone out of commission while looking for another job and she or he doesn't have to work as a dishwasher. He will look for another job as a pipefitter or she as a medical assistant or as a typist or whatever it is and in that sense it is true that they don't go and wash the dishes. But it





is also true that a small percentage of people who would rather to use their expression rip off the system and that is why we're going from -- well, you know we used to have what is called the work ethics. People found it honourable to work and dishonourable to take dough when they were able and could work and because of that people didn't try to get money from the state if they could work. Now I've conceded to you there is a small number of people-- I don't know how many -- who would rather not work and just receive assistance and that is why we are going from what we call universal assistance plans to selective ones. For instance, in our unemployment insurance amendments now, we're saying: Look, if you've been unemployed in the past year and you've drawn a lot of unemployment insurance you're not going to be able to draw it again just by going back and working a little stint. Prove to us that you're going to work longer.

Q. Yeah, let me put this to you. As a taxpayer and the guy who is footing the bill for all this now, I see no reason why in this society anyone should go to bed cold or sick or hungry and they should have the creature comforts, only the creature comforts. In other words, they should have bread. But whether they should have butter on it is a debatable thing, but certainly I'm not prepared to pay to put jam on it. And it seems to me we're putting jam on the bread of the unemployed.

A. Well, you know it's a nice image, but I don't think it corresponds to the reality. Take for instance our Old Age Assistance. Now, people have paid in for years so that when they're 65 and over they will get a basic old age pension. So whether they buy bread and jam or butter with it, you know is there a choice in a free society if they've paid in for years on that. But have we done? Over and above that we give what is called a Guaranteed Income Supplement and we say: Look, if you're really poor, if you don't have any means of making the ends meet we will give you another \$150 or whatever -- we've just increased that last August -- we announced we'd increase it by \$20 a month. When a person -- to give the exact figures -- a person is 65 or over and he is drawing on Old Age Pension and Guaranteed Income Supplement, something like \$3,100 a year, is he buying too much jam? I mean you answer the question. I suggest he is not. I suggest that he is getting by but not all that beautifully and I don't feel as a taxpayer we should say to these old people: Well, you know, \$3,000 of money from the



State is too much. You're 65 or 75, you should go out and work. You know it's not realistic.

Q. Mr. Prime Minister, on the one hand it seems that we have the employers -- and I'm specifically talking about in the public sector employing people for the Post Office and Air Canada and things like this -- on the other hand we have the union leaders and they seem to be locked in a battle of principle and the workers -- the pawns -- caught in the middle of all this. But let's be specific about workers in the public sector. Should they be allowed to strike where they have a monopoly on the industry and you can't get the service anywhere else and where their employers who in this case are the governments at various levels can go broke?

A. Well, I think that is a good question. They all are. But can I just disagree with you on the phrase you slipped in there about the worker being the pawn in the middle. You know the worker elects his union representatives, the union leaders, and in a sense he also elects his government. So he is not a pawn. You know if he doesn't like the employer, the Post Office, he can always go and work somewhere else. If he doesn't like his union, he can always vote to change the union leaders.

Q. Well, there are two things wrong with that. In the first place, if he doesn't like the union, yeah he can possibly do something about it presuming the vote is reasonably democratic. Well then not all the union ones are...

A. Well in the samples you give, Bill, you know in the Post Office they send in their ballot by mail from all across the country. The trouble is when they have meetings you know and I know that many union meetings are attended by 10, 15 and 20 per cent of the union members you know so they could

Q. They could but they don't. And the other thing is, of course...

A. If you want to be a pawn, of course you're a pawn.

Q. Well if you say that certainly they could quit their jobs and go and work some place else, that is very true too. But that's not the union mentality because the union mentality suggests that the worker owns his job





which is deep in the philosophical question. Does the worker own his job or does he not own his job? But the union says he does.

A. Well if he says that he does and the worker says that, don't call him a pawn. He becomes a proprietor at that. I'm just disagreeing with your feeling that he is a helpless victim of stronger forces. But I think your question is...

Q. We're on semantics. Let's get back to the basic question of should the right to strike be given to people who have a monopoly and are in a position to seize the public and hold it hostage?

A. Well, I can unequivocally answer that some areas in the public service should not be allowed to strike. You know it's quite simple. If you take the federal level, obviously the police don't have the right to strike: the R.C.M.P. The army doesn't have the right to strike.

Q. Post Office?

A. And in every other area, there is what we call, what the law defines as essential workers and they're not allowed to strike. In other words...

Q. The Post Office? Get back to that.

A. Well, alright. There are some areas where obviously there is a right to strike. But I'm trying to define your principle. Is there a universal right to strike? And the answer is no. There is a right to strike in the Post Office and what is the reason for that? It's that generally in a free society it's believed -- we certainly believe -- that free collective bargaining is the fairest way of establishing not absolute justice but a fair bargain between the employer and the employee. Whether the employer be the Government or whether it be a private entrepreneur, the worker should be free to say: Well, you know for this kind of salary we will work; for that kind of salary, we will not. Now if the consequence of exercising that freedom is to destroy the society, you know to destroy the common good then we say: Well, sorry, your freedom is important but society is even more important. And when that happens we call Parliament back and we say: Look, alright you've exercised your freedom for three days or three weeks -- whatever it is -- but at this point the exercise of



your freedom is no longer compatible with the good running of the society.

Q. Isn't that band-aid psychology to just put a band-aid every time there is a strike. For instance, let's talk about the postal people. If there is problem, then you have to recall Parliament and do something about it. Should they have the right to strike in the first place? It seems to me they're very essential when they can drive many small businesses into bankruptcy as they have and probably will do again.

A. Well, look, Bill, if you're making the case to take the right of strike away from just about everybody in the private sector or the public you know let's hear you argue it. But you could also say that the truckers shouldn't strike. You could also say...

Q. No. Wait a minute... No.

A. You could also say... Yes, you could. Because the truckers are very, very important to bring food to a city...

Q. But you're misinterpreting me. What I'm saying is where the worker has a monopoly on that particular industry. If one trucker goes on strike, I can take off another trucker...

A. You can't as the transport union will throw up pickets and they will strike a whole community and what do you do then? You know... well what happen and many private sectors have strikes. You could have a strike in a steel industry which would -- and that's private -- which would bankrupt steelmakers, which would bankrupt automobile makers or small shops using steel and so on. I'm just telling you that either you can make all strikes illegal and then you have a different kind of society. That's the way it is in the Soviet Union incidentally. There is no possibility to have a strike there. Or you can say strikes will be legal but they begin to be corrosive of the body politic, we will make it illegal. Now my argument is that if you make them illegal from the outset -- look, the postal services are, striking is illegal in many countries, the trouble is it doesn't prevent the workers from going on strike. They just go on illegal strikes. And then what they do for an encore?

Q. And neither is making a Crown corporation, because workers will always go on strike it seems legally or illegally. But my other point on



the thing is that as once again speaking as a taxpayer now, you can't go broke bargaining with the Post Office or anybody else because if they put you in hock for more than you can afford you just come to me and you get it out of my pocket.

A. That's a very important point. And that's why we have established very clear guidelines that the Government will not pay its employees more than they are paid in the private sector where, to use your expression, the employer can go broke. And in fact, that has been our record for many, many years. You know even when we brought in controls in '75, the private sector average settlement was at 14 per cent increase a year. We were under that at 13. It's true that the provinces and the municipalities were above that. I'm talking about our Government, my Government. We were under that. And now consistently for the past, well since controls we've had a lesser rate of increase of our total budget than the growth of the whole private sector. But what I mean is that we don't settle now -- and we had a Bill in Parliament, C-28, last year saying exactly that. The public sector will have a maximum compensation compared to that of the private sector. In other words we won't pay more. And that was a difficulty in the recent Letter Carriers' Union strike. You know they said: Look, what do we compare with? Do we compare with a milkman who goes from door to door or do we compare with a meter reader who goes from door to door or what? And you can bargain on that and you can have an argument. But finally, we said: Well, this is a good comparison and we settle at that.

Q. But still it doesn't stop strikes. Thank you, Mr. Prime Minister.

A. Nor does the law stop strikes and you know that, Bill.

Q. Mr. Prime Minister, when I was growing up in Ontario I think that my attitude towards the people of Quebec was fairly typical. They chose not to speak the language of commerce, that that was their business and underneath it all there was a pride and an admiration for a Canadian people who wanted to hang on to their culture and they were willing to pay the economic cost for doing that, but now my children I'm not sure quite see it that way. I'm not sure exactly what they think and I think that the Québécois in the rest of Canada is the loser. Why did this thing come upon us? What was the discontent?





A. I'm inclined to disagree with you again when you say this is the loser.

Q. I knew you would.

A. You know I think there's much more openness of mind towards the other official language. You see in Toronto, you see in Calgary, you see in Vancouver, in Ottawa, an increasing number of schools where they teach French to English kids. My kids in Rockcliffe are going to a so-called French immersion. It was an English school but they're teaching French. And I think you see that increasingly. You see an increasing number of adults who want to learn the other official language and who don't consider that as an impoverishment. On the contrary, they say it's great that we can speak the language which is spoken by at least 25 other countries in the world. You remember Keith Spicer's big poster that was saying: Looking at the world and there are 35 countries which speak to the world in English and there are 25 which speak to the world in French...

Q. Yes, but they are very small countries...

A. <sup>it's good</sup>  
And for Canada to be able to speak...

Q. I think they are very small countries. And France I believe is down I don't know how many on the list of world languages, but that's a side issue...

A. Well, let's not talk of the size, because let's all learn Chinese, let's all learn Arabic and let's all learn Russian. Well, you know, you make a point about size.

Q. Certainly. Well, let's talk about Canada for instance. How did we become an officially bilingual country rather than an officially multilingual country?

A. Well we never were an officially multilingual country. The basis of our policy, the two poles of it is bilingualism, two official languages -- French and English -- and multiculturalism. But it was never multilingualism. People are free to speak the language they want. But the principle of bilingualism is that the State will be able to receive messages and answer messages from its citizens in one or the other language. In other



words, it doesn't mean that the lady in Medicine Hat or the gentleman in Scarborough has to learn French...

Q. But that was in the B.N.A. Act. It was originally that the only two provisions as I understand it were that French would be used in translation in federal matters, and in provincial matters it may be used...

A. No, no, no. The B.N.A. Act said that the courts, the statutes and Parliament will have two languages at the federal level, never said that the CNR, the CPR operating in Quebec would have to speak to its people... Well, no. Well, I tell you you talked about the B.N.A. Act. The B.N.A. Act says no more than that and we've gone a devil of a distance further by saying: Okay, but also the tax collector in Quebec who is collecting a federal tax will have to speak French and the guy who is paying his tax will be able to ask questions in French. Now this doesn't seem very, very unfair to the lady once again in Toronto or the gentleman in Medicine Hat. All we're saying is that if you want the 6,000,000 French-speaking Canadians in this country to consider that Canada is their country, they should be able to talk to their Government in their language. It doesn't mean anyone else has to speak French. It just means that those who have always spoken French in this country and who always will should be able to use their language in communicating with the State. Does that seem unreasonable? And the B.N.A. Act didn't provide that. We are providing for it now.

Q. It's my understanding that it did. It said originally that federally this would be available and provincially it could be...

A. Well, it did not, Bill. And then you look at Section 133, it doesn't say that. It just says in Parliament you can use both languages. It says that in the courts you can plead in one or the other language -- the federal courts in Quebec and the provincial courts. And it says also the statutes, federal statutes.

Q. Well, maybe in that case I didn't make myself clear, because this was what I was saying. But why the bilingual thing rather than the multilingual if we're talking about linguistics? Because if you go to the West, I would think that Ukrainian would be more useful to you than would French.





A. Yes but in the West you don't have to speak French. Nobody is forced to speak French.

Q. We have a French television station in Vancouver.

A. Well, you know... Are you objecting to the fact that your neighbour can tune on and listen in French?

Q. He can't if my Italian one can't, my Ukrainian friend can't.

A. Are you suggesting that we should have services in all the languages spoken by Canadians? Are you suggesting that seriously, Bill?

Q. I'm wondering whether or not we should have a common language which would be traditionally English. Otherwise if you follow that argument through, why not give England back to the Danes and we'll all go back to speaking Saxon?

A. Well, that could be a suggestion, but you know it might not be so funny because that's what a lot of Quebeckers are saying: Give English Canada back to England and let French Canada be a country on its own. And that's called separatism, Bill. And if people like you don't understand that the way to keep the French Canadians in the country is to let them have some television in French and if you don't like it you just have to switch your station you see. So why do you set your heart against those people who say: We'll stay in the country providing we can switch on to French at some point. It doesn't hurt you, it doesn't hurt anybody. Why do you object to it?

Q. As a matter of fact, I rather enjoy but I think that really the French Canadian is probably one of the most spoiled and pampered minorities in the history of the world and I'm wondering how did all this come to be? How did all this come to be?

A. Tell me in what way they're spoiled and pampered? You tell me that. That's a big statement you've just made.

A. I think I have to bow to your fiscal knowledge on the thing, but it's my understanding that they have been pretty well, that Quebec has pretty well been propped up by the rest of Canada for a very long time and is being propped up now.



A. That really is pretty silly in saying that's propped up.

Q. Is that not right?

A. No, it's not right. Take for instance the Regional Economic Expansion grants. You know we give money to the poor provinces so that they can draw industry there. If you take the list of provinces who received such grants, Quebec is sixth or seventh in the list per capita of those who get money. So it's not getting more. Take equalization grants, those famous hundreds of millions of dollars that we give to the seven poor provinces in this country. Quebec is getting considerably less per capita than any of the Maritime Provinces. So you know you spread... you should talk about propping up the Maritimes if you want to use that I think that hurting word. I don't you'd say that very easily to a Cape Bretoner if you think he is being propped up by the people in Toronto. You know keeping the country together is worth something. And people of Toronto or people of Ontario who are a have-province and the people of Alberta who are very rich consent that some of their taxes shall be diverted to the less rich parts of Canada. And those less rich parts are the four Maritime Provinces and Eastern Quebec. So that's our system and if you don't do that, you may as well cut the country off in pieces and let the Maritimes join the United States and Quebec be independent and just stay with yourselves and Alberta and form one country stretching from Ontario to Alberta if they'll have you. They don't like the East very much either in Alberta.



PRIME MINISTER'S INTERVIEW WITH JACK WEBSTER, BCTV, OCTOBER 2, 1978

ENTREVUE DU PREMIER MINISTRE AVEC JACK WEBSTER, BCTV, LE 2 OCTOBRE 1978

A. ...than sit on the fence.

Q. I can't let you away that easy, Mr. Prime Minister. You know, the reports of your political death or resignation may be exaggerated, but I've never in all your years as Prime Minister seen the Westalls, the Gwyns, the Fotheringhams, not your enemies particularly after your throat that maybe you should quit, maybe it's time you left. Now, give me a gut response to that, Mr. Prime Minister.

A. Well, I just remember that in 1972, the Tories were on the verge of taking over and the press had discounted me as the future Prime Minister and the same thing in 1974 and somehow in spite of these people I managed to come back with the Liberal Party. So why not again, Jack?

Q. Doesn't that prove that when the time comes to campaign you're a magnificent and still a charismatic campaigner, but you've left many things undone?

A. Well, I don't know about the campaign. We're still probably many months away from it. But in terms of things undone, I'd like to tell you <sup>of</sup> the things I have done but perhaps some other time.

Q. Well, in a moment or two, but first of all let's you know, be quite frank with each other. Your Cabinet has been decimated. You, you're the only survivor in ten years. Shall I list all those who've gone? I mean all your best, many of





your best and all your best English-speaking Ministers have vanished, right?

A. Well, why do you say English-speaking? You could say French-speaking too. You know Pelletier is gone, Jean-Luc Pepin is gone, Jean Marchand is gone. You always seem to think it's the English who go. I've always thought that politics was a very mobile place and Ministers who come in, perform to their utmost, they wear themselves out and then they leave. If I had still the same Cabinet as ten years ago, I'm sure you'd be the first to say: Ah, these tired old people, they've been there for ten years. Why don't you bring some new people...

Q. Ah, but Mitchell Sharp and Drury and Macdonald and even Richardson, and all these people. And the book about you by Radwanski was a good book. Did you feel it really painted you?

A. I'm afraid I didn't read his book, but I have some friends who did and they say it's very good. But you know you named some of these people. My recollection is that before Mitchell Sharp or Drury or these others left, I was being told by the same people in the media <sup>that</sup> I've got Ministers who've been there 15 years, why don't they move on and so on. It's automatic, Jack. When a Minister moves on, he suddenly becomes the greatest asset I've ever had. And I'm sure that may be true of me. When I move on suddenly people say: Well, he wasn't all that bad. It's certainly true for the Ministers. I haven't seen one, whether it be Turner or Macdonald or Sharp or Drury or Marchand who, when <sup>they were</sup> with me, weren't the lowest of bums, incompetent and everything else. As soon as they leave: Gee, what a great loss!

Q. Ah but you're not, you've never been paranoid about the media, have you?

A. Just answering your question, Jack.

Q. But on the other hand, this man Turner, well let's be frank today. he's quite obviously standing in the wings



hoping you're going to stumble. Is that a fair question to put to you?

A. It's a question which I can't answer, which I think you should ask him. When he left he told me that he was leaving for family reasons and he is a man of his word and I took his word.

Q. But look at that newsletter the other day. I read that and I shuddered and I thought my goodness gracious me, what's going on in the Liberal Party? Do you still have the Party loyalty?

A. Well Jack, you know there was a leadership vote at the last convention. There was one at the one before. We have, under our constitution, a vote for or against, a leadership convention after each general election and I've always been told that they didn't need a leadership convention, so...

Q. Well, that you're as full of zip and zap as you were in 68, hey? Not quite?

A. Not quite. No. I'm a much wiser and intelligent man than I was in '68.

Q. But the other day you made a remark - I'm sure you were correctly reported - when you were a bit down in the dumps and you said: I'd like to hand some of these hot potatoes out to other people. Hand me a hot potato that you can't handle.

A. Alright, that's participatory democracy. You know when I involve people in decisions, that used to be okay and the story has been in latter years: This arrogant Trudeau, you know this guy who thinks he knows all the truth, this guy who doesn't listen to other people. So my attitude is sometimes: Well, okay, let's see what the people have to say on this particular hot potato. And suddenly, I'm not showing enough leadership because I'm saying I want to listen to the people. You know you'll have to make up your minds. You want more leadership





and then you get the strength and what you call the arrogance, or do you want a little more of cringing and followship and then you say: My gosh, there's no leadership in this Government. You have to make up your mind and I believe I can show both.

Q. Well, now, as a reasonably intelligent reporter, I was totally mystified until I read the transcript of your press conference of September 14th about the situation on capital punishment. I hate even to raise the subject, but it came out, if you'll forgive me, Mr. Prime Minister, like hypocrisy. Here you're saying: We dealt with it, we finished it, we're done with it, but Lang has raised a good idea. Could you put that precise situation about the extension of what was that, instrument of direct democracy, so that people can understand where you stand on it because you're not against capital punishment on moral or principle grounds.

A. Very simply, Jack. I oppose capital punishment because I don't think it's an effective means of self-defence for society. I don't oppose it on moral grounds. If it is necessary for society to hang people, this is in a category of society having a war. Sometimes, you have to have a war where people are killed. Sometimes, you have to hang people if this is the way for the society to defend itself. But what I say is that those who want to hang a man or have a war, have the burden of the proof that their remedy, hanging or shooting, will be effective, in other words that it will effectively protect society.

Q. That's clear.

A. Okay, that's clear. Now this has been my position. It's the position of my Cabinet, it's the position of my Party and it's the position of the Leaders of the other parties too, Clark and Broadbent. We all voted for abolition. This being said -- and it's not a change in my position, because I made it clear that I wouldn't have a referendum, that the Government wouldn't have a referendum -- but I'm saying



that in many democracies and you know, as a Westerner you should know this and I believe you do: in the 20's and 30's, the Western Provinces had these instruments of direct democracy, where you would have a right as people to have a referendum on something to go against the government of the day. Now this is not a new idea...

Q. Are you saying that some time in the future there might be a decision made by somebody to extend the instruments of direct democracy to include petitions not just on capital punishment but maybe on marijuana and abortion?

A. What I'm saying is that on some issues when you get enough signatures in the country -- you know, it might be 500,000, it might be a million. I believe in the case of the Western Provinces, it was something like 10,000. -- that the people can say: Well, look, the Government has made such a decision -- in this case, abolishing capital punishment -- we think the Government is wrong and we don't want to wait till the next election to change the Government. And even if we do, we'd be electing another party whose leader also believes in abolishing capital punishment. So we want to choose ourselves just as they've done in California with Proposition 32.

Q. But that's a way down the road perhaps.

A. All I said at the press conference is that it shouldn't shock you people out there who are supposed to inform the people that somebody is thinking of it. And in this case, Otto Lang.

Q. Not hypocrisy? Well, it looks like a cheap shot to get an election advantage. You know the Liberals on that tough one.

A. Well, no, because the Liberals are not changing their minds.

Q. Okay, clear enough.



A. If the people want to make a different decision, you know, what is wrong with at some point saying that people can decide?

Q. I hate even to think about it. That would mean a constitutional amendment for that kind of recall wouldn't it?

A. Yes, it probably would, Jack.

Q. Can we take the constitutional proposals very simply, Sir? The Senate: most of the <sup>ordinary</sup> people in the country, everybody except the Senators want to wipe it out, right?

A. Well, want to wipe it out or change it.

Q. Wipe it out really and change it into a House of Federation.

A. Ah, or change it into something else, right.

Q. That's right, so let's not argue about that. Somewhere in the midst of all this business, people have got the impression that your Government in some propositions is trying to downgrade the Queen. Now, I know what your position is. Your position is you have not changed anything, that you've mainly put into practical effect or will put into practical effect what's happening now, but tell those people who use this ammunition against you if they are wrong.

A. Well, I think this is a time to use the word hypocrisy in terms of downgrading the monarchy. Her Majesty has come to Canada more often in the past ten years when I've been Prime Minister than in any other previous time in our history, more than in Mr. Pearson's, more than in Mr. Diefenbaker's time put together. I think out of ten years Her Majesty has been here nine times. That's not bad for somebody who wants to downgrade the monarchy.

Q. How come the impressions that are brought down?





A. Well, how come the impression? It's because some people, to use your words, are hypocrites and when we try to write out in Constitutional language what the practice is today, they take a political pretext to attack this. Now that's what I call playing political football with the monarchy. And I think that is very dangerous.

Q. I mean as far as the monarchy is concerned, you told me before that as long as it's useful, you'll keep it. The country should keep it.

A. That's what I've said and I don't think it's worth starting a fight on the monarchy. And the last thing, my Government and myself would have wanted to do is to try and rewrite provisions on the monarchy. What we're trying to do is write them, Jack. You know under our present Constitution which goes back to 1867, no provision is made for the evolution of the monarchy in the past 100 years. Back in 1947 under Mr. Mackenzie King, Letters Patent were issued to permit the Governor General to exercise certain prerogatives which belonged to her Majesty. All we're doing is saying: Let's put that right in the Constitution.

Q. This Bill of Rights has got me baffled, I'll tell you. The Bill of Rights is part of <sup>the</sup> constitutional amendment which is fully within the powers of the Federal Government to enact, is that correct?

A. Say that again, Jack.

Q. The Bill of Rights is something you could do without consentment of the Provinces.

A. Mr. Diefenbaker had a Bill of Rights in 1960.

Q. But you're going to put it in the constitution.

A. Right and we're only going to bind the Federal Government. Rather than doing it by a simple statute, as Mr. Diefenbaker did, we want to constitutionalize it and we're



telling the Provinces, We hope you will do the same. I think something like seven out of ten provinces have Bills of Rights. The Federal Government has a Bill of Rights. Okay, let's put them all together and all agree that our governments will protect the basic rights of its citizens.

Q. As far as language is concerned, really the Bill of Rights will just entrench the Official Languages Act more or less.

A. More or less, right.

Q. Coming to the Official Languages Act and coming to the economy, that's one thing about which, Mr. Prime Minister, you must be pessimistic.

A. Are you talking about the Official Languages Act?

Q. No, no, I'm talking about the economy. I was thinking of the cuts you had to make and many other things as well.

A. Why should I be pessimistic? Because...

Q. A million unemployed.

A. ...something like 2,000,300 jobs created in a period of less than 10 years. Faster than any other growth rate of any other country in the Western World.

Q. Is that comfort for the unemployed?

A. It should be, Jack. If this society is healthy enough to create jobs at a growth rate of 3.7 a year which is double that of the United States, faster than any other country in the world, it means that we've got a healthy economy. It also means that because of the baby boom and because of the new decision of women to participate in the labour force and the decision of young people to enter the labour force younger it means that more people are coming on the labour market. But once again, we're creating jobs at a rate faster than any other Western country, including Japanese society.





Q. If I say to you, Mr. Prime Minister, that after ten minutes the dollar is down to 84, 85 cents, with close to a million unemployed, you're cutting back on the U.I.C. Program of which you were terribly proud indeed.

A. Still am.

Q. You're reshaping Family Allowances, you're cutting a lot of grants and what-not, the arts and culture and things generally look...

A. Well, that's a bit of a mish-mash, Jack. You want to talk about them one after the other. You talked about the dollar. What is the fact that the Canadian dollar is worth less compared to the United States'? What does that mean? It just means that the Americans are able to buy our goods at bargain prices and that means jobs for us. And that's why before the dollar was devalued you know for the five or six years when the Canadian dollar was worth more than the American dollar, we were having either trade deficits or very shaky surpluses. Three years ago, we had a deficit of  $\frac{1}{2}$  billion dollars in trade. Since the dollar is devalued we had last year two billion surplus, this year we're going to have four billion. This means jobs in Canada. Well, there is no magic reason why the Canadian dollar and the American dollar should be worth the same thing.

Q. Ah, but carry the logic a step further: it would definitely be better with a 75-cent dollar.

.....

Interview stopped to change tape



A. I'd say it's good for jobs. Our people will buy less in the United States, they'll produce more in Canada which means jobs in Canada rather than jobs in the United States. It's very simple. One of the reasons why the dollar is lower is because too many Canadians in those lovely years passed were buying everything in the States, buying imported goods, they were spending their vacation\$ abroad, they were enjoying all foreign goods and the Canadian dollar became too abundant on the markets of the world. And that's why its value fell. Now the consequence will be that the foreigners will be buying in Canada and Canadians will be buying in Canada and that's good for the economy.

Q. Well, there is another point -- I hate to raise it when you're going in high fear -- but if I were a foreign investor and I looked at Canada today and I think: we've still got that Quebec problem, <sup>we've</sup> still got that indecision in that nation, I think I'll hang away from investing in the country. You said that in a couple of major speeches. Do you really think that if you were a multimillionaire outside that you'd put your money into Canada right now, with your election not till next spring, with all the problems in Quebec?

A. I'd certainly put it in right now precisely because the Canadian dollar is low and I think this is a good time for foreigners to invest in Canada. Of course, an investor is a very cautious person and some of them may not have my optimism and I hope yours in terms of the strength and the future of this country. But it should be quite obvious to anyone who looks at history, to anyone who knows Quebec, to anyone who sees the way they are reacting, to anyone who sees the Quebec Government itself which is procrastinating and not daring to put the referendum question because it knows it's going to lose it, it seems to me that any speculator worth his salt would say things look pretty good there and obviously separatism is going to be beaten and obviously Trudeau is going to win and obviously this is a great country so let's invest.



Q. You're that confident?

A. Well, you asked me if I were a multimillionaire American, I'm just telling you.

Q. I'm not asking you... You're that confident that Lévesque really is, not on his last gasp, but can't win?

A. He could win if we made enough mistakes and I think our moves on the Constitution, our moves on languages are meant to make sure that we don't make mistakes. If Quebecers are made to feel that they're not welcome in this country, they will get out. And that's why I think it's so important to take certain steps to make them feel welcome in this country. And this just means telling Quebecers that they can speak in French to their Government. It doesn't mean your brothers in British Columbia have to speak French or learn French. It just means that Quebecers can speak French. That's what our Official Languages policy...

Q. We've gone through this before and of course...

A. But you never seem to remember.

Q. Oh, I do, Sir, but I always come back and say that if the policy wasn't understood across the country, only you and your Government were to blame.

A. Well, I suppose that's...

Q. You don't really feel that it's a basic kind of bed of bigotry that has caused this trouble, not in the media I don't think.

A. No, I don't think. I just think that sometimes they don't understand and they don't explain properly. But I do accept my share of the blame of not having explained it more day in and day out. I do know that in the 72 election I didn't even raise the question of the Official Languages Act, because I thought people understood it. Now, you know six years later I realize they haven't putting it on the air right





now and telling them once again what it means. It doesn't mean making the country French. It just means letting Quebecers speak French. You know there's this book which seems to be selling out in British Columbia...

Q. Don't mention it! Don't give it a thought!

A. Why not? I mean you know the accusation is that we're beginning with bilingualism, then the whole country will be French. You know this is like telling the United States that they should all be Spanish-speaking because there are 20 million Spanish-speaking...

Q. I don't want to be too helpful to you in any way, shape or form. I don't happen to subscribe to that particular book which is full of some facts and half-truths and false assumptions. But then you have good friends in this country who say: That Trudeau is a terrific guy, but somewhere over the ten years he did not use his undoubted wizardry with words and leadership qualities to give this nation a direction. Now, don't you feel a little guilty on that?

A. No, I don't. I don't. In the years when I've been taking the most leadership, people would say: Look at this guy. You know he thinks he is the only one who knows where the country should go. He is trying to lead us down some path we don't want to follow. And when I take leadership just in the month of August to announce almost out of a blue sky, when I'm back from Bonn, the new economic measures, people say: Oh yeah, he is showing too much leadership. He is doing it without having consulted all his Cabinet colleagues. You know, make up your mind. What do you want?

Q. Yeah. No, but at the same time he said he finally showed leadership in the economy with your 3.7 billion instant cuts...

A. That's right.



Q. And then you wishy-washed on the election for so long.

A. What's so wishy-washy about using the constitutional mandate to have an election when I want? You know you people in the media have been calling an election every two months I think for the past year. You've been calling it and then I haven't called it so you say I've been wishy-washy. You've been the phony prophets. You've been calling it for, he's going to have it in April, he's going to have it in July, he's going to have it in September. So when I don't, I'm the guy who takes the blame. You're the guys who don't know how to call the shots.

Q. Well, you're speaking for the other members of the media since I'm not in the business of predicting elections.

A. Well, exactly. Nor should you, Jack. You know that we have five years to go and we can take five years.

Q. Oh, you can't go beyond...

A. As Jim Callaghan is doing...

Q. You can't go beyond the very latest July of next year.

A. Are you making a prediction?

Q. I'm asking this. I mean you can't, can you?

A. Well, more or less.

Q. I mean King did it once. R.B. Bennett did it once I believe.

A. Yes. I think that the return of the Writs was something like the end of July '74, so that would bring us to the end of July '79.

Q. That has got to be it.

A. It's close.





Q. At least we know that. Listen, politically, Mr. Trudeau, I wonder if your advisers...

A. ... For calling it, not for having it.

Q. I wonder if your advisers are beginning to scratch their heads and come to you and say: Hey that Clark plan -- \$5,000 write-off in mortgages and \$1,000 property debt, we've got to go for that, we've got to pick that up and run with it. Are you not tempted... will you pick that up and run with it?

A. Don't worry with that one, Jack. That's going to cost \$1.6 billion as a minimum and probably much more. It does nothing for the middle income and low income people. It's all advantageous towards the upper middle and wealthy people but the poor people who are renting a house get nothing out of the Clark plan. The poor people who can't afford to buy a house get nothing out of the Clark plan. He is helping the people with houses and the people maybe who don't even have mortgages. There is about 2.1 million homeowners who will be helped. The others who are homeowners already have cleared their mortgage. Their house is mortgage-free so what will they do under the Clark plan? They'll just go to the bank and they'll borrow under the Clark plan and they'll get a \$5,000 gift from the Government. You know, I'll do that. You'll probably do that on your island, Jack. If this plan goes through, you'll just go on and mortgage your isle and why shouldn't you? You'll get a \$5,000 gift. Now do you need this kind of help, Jack?

Q. I'm not <sup>here</sup> to answer questions, Mr. Trudeau.

A. No, I was illustrating the meaning...

Q. Oh, I get the point. On the other hand, if I did go out and borrow something on my little shack in Salt Spring, I might be putting people to work by spending it somewhere else.

A. Well, I hope that if you're borrowing it it's indeed because you want to put people to work somewhere else. Why



don't you do it now? I'm sure you can do it without getting a gift from the Government. That's the whole point. Why does the Government have to give you a gift of \$5,000 so that you spend your money?

Q. Mr. Trudeau, we must bring this delightful interview to an end, but before I do that I want you to answer a serious question. We haven't got into philosophy at all today. You haven't lectured me, you're being political. You are given to lecturing on occasions.

A. Only with sober people like you, Jack.

Q. When you look at this nation today, Sir, with its vast bureaucracy we should be attempting to cut down, stop expanding...

A. Attempting and succeeding, hey? Because growth rate last year, this has been less than 1 per cent.

Q. But when do you see them? You never see an unemployed civil servant, do you?

A. Well, you know. Exactly, you must... they are part of the statistics you were quoting here...

Q. Question! Question! Can any Western government today really turn back to the bureaucratized social welfare state with which, like it or lump it, on an equalitarian basis, we're stuck to the annoyance of many so-called free enterprises?

A. You know I'll give you a pragmatic and then a philosophical answer. We're not stuck with it and the proof is what we've just announced in August on family allowances. We say we're going to take \$5 from everyone who has family allowances but we're going to give \$200 a year to those who have \$18,000 and less. So this means that we're using the money we save from giving it to everybody and giving it to those who are in low and middle incomes, less than \$18,000.



So it can be changed. Now philosophically, I think there is a good point to make, Jack. It's that a lot of these welfare programs which tended towards universality -- you remember they'd attacked the means test. It was demeaning to have an inspector go around and say: How much money have you got and if you don't have enough we'll give you the dole. So there was a period when the trend was towards giving grants to everyone: anybody over 65, anybody with children under 18 and so on. Now I think this was the proper way to go in the past generations because the work ethic was present then, because people in those days felt that working was the right thing. Today I think a lot of people are feeling that maybe work isn't all that good and maybe if they can rip off the state they will. And in this sense, I think that the Government is properly with his family allowance scheme, returning to help those who need help most rather than trying to help everybody. We realize that the day when helping everybody was possible because of the rate of growth and also as I say because people, whether it'd be under U.I.C. or something, wouldn't cheat. You know there are a few cheaters in every game. But by and large, people wouldn't rip off the system. Now philosophically people are saying, you know, if we can get a free buck out of the Government, let's go ahead and do it. And when that time comes then it's time to adjust...

Q. And that time has come.

A. And that's why we adjust these welfare schemes.

Q. A snap question: I have five elderly step-sisters in Rhodesia. Can they come to Canada or are they still under that business that white Rhodesians can't come to this country, all things being equal?

A. I think they can't come under Rhodesian passports because Rhodesia is not recognized as an independent country by any of the United Nations, especially not by Britain.





Q. That's the reason. Because you know Africa is going to explode, it's only a question of time, isn't it?

A. Well, exactly. And I think it's very important that the apartheid question, the question of discriminating against blacks be solved before it does explode. And you, I don't have to tell you the very forward role that Canada has been playing in the Commonwealth and in the <sup>Namibia</sup> and in discussion with the front-line presidents to find solutions to these problems.

Q. Anyways, Trudeau is out there. He is going to rant, not rant and rave, but he's going to campaign full-time not in the by-elections, low profile for the by-elections.

A. Not low profile. I'll be in every riding or just about. I've already been in three or four of the... I don't necessarily go into the riding itself, but time permitting I'm going to try and continue as I have in the past, travel across the country.

Q. Anything on Cabinet shuffle to give us back a Cabinet Minister in the West?

A. I'm planning a Cabinet shuffle but I don't think it will happen before the by-elections as yet.

Q. ... Gordon Gibson.

A. You've already got three Cabinet Ministers in British Columbia. You know...

Q. Oh, Iona, I'd forgotten Iona.

A. Don't tell her that.

Q. And Ray Perrault. And who is the third one?

A. You should do your homework before actually doing a...

Q. Mr. Trudeau, thank you very much.

A. Thank you, Jack.



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TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE, NOVEMBER 1, 1978,  
OTTAWA, 4:15 p.m.

TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE, LE 1er  
NOVEMBRE 1978, OTTAWA, 16h15

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MR. RADWANSKI: (Financial Times) Prime Minister, what has happened to the  
communiqué to your short list of areas to be discussed by the Committee?  
In fact, what has happened on the communiqué? Have you

any indication of just what this Committee of Ministers was hoping to  
do, why was it dropped and where do we stand?  
THE PRIME MINISTER: Well, very simply, it is stated I think in the  
first paragraph where the areas of constitutional reform are: Charter  
of Rights and Freedoms, the Distribution of Powers, the Institutions of  
the Canadian Federation - and we know what that means, especially the  
Supreme Court and the Senate - and the process of constitutional revision,  
including patriation and an amending formula. These are the four areas,  
as you know, that we made progress on in the past three days.

We were meeting over luncheon, trying to spell out in some  
detail what we have said under each of those items, and we reached the  
conclusion that it would really take us a long time, that we were really  
attempting to do what we have asked our Ministers of Justice, our  
Ministers of InterProvincial Affairs to do over the next two months.  
They know the subjects we have discussed, they know the areas that we feel  
should move forward concurrently, and they have already set three days  
of meetings three weeks from now and another three days in early  
December and then some time in January, so that is the short answer: that  
we didn't feel that it would be useful to try and nail down every comma  
and semi-colon of what has been said in the last three days, particularly  
because the conference was open and that people know what the positions  
of the various delegations are. We feel now it is up to these Ministers  
to report to us.

There is an important indication there in the instructions  
we give to these Ministers; it is to refer to us as Cabinets at any  
time if they reach some difficulty, not to wait to tell us in February  
what the difficulty is but to ask for a solution right away.

MR. RADWANSKI: A supplementary if I may, sir: Your reaction when you  
returned to the conference from after the lunch break was interpreted as  
a less than happy one and we have this communiqué which appears not to

include the kind of list which originally had been anticipated in the talks at the conference. How serious a setback is this to what you have been hoping would come out of this meeting? Are you in fact less than happy as you appear to be?

A: Well, I would be more happy if we had agreed today on final words regarding division of powers, of patriation, Supreme Court and Human Rights. Obviously I'd be happy, I am always happy when a miracle happens. But I didn't expect it to happen and I don't think anyone in this room did. We said, "Okay. Here is some measure of agreement and movement in these areas. Let's get a conference soon in the New Year to spell it out." After the February conference you can ask me if I'm very happy or very unhappy and - I don't know - I hope I will be very happy. But at this conference I don't think I should be either bursting with joy or in any sense discouraged. I think for the first time we have discussed in a very serious way a new division of powers. For many of the Premiers around the table it was the first time we were discussing at any length constitutional problems together and I am happy with the progress we have made Monday and Tuesday and particularly last night.

JEAN RIVARD (Télémedia): Monsieur le Premier ministre, avez-vous pu vous entendre avec vos homologues au cours de négociations privées ou de rencontres privées sur le mandat ou l'ordre de référence à la Cour suprême des pouvoirs que le Parlement canadien possède pour changer le Sénat et les choses du genre que vous devez soumettre au cours des prochaines semaines?

PREMIER MINISTRE: La question n'a même pas été soulevée. Je le regrette. J'ai indiqué dans ma présentation hier matin que pour ce qui est du Sénat nous avons référé le sujet à la Cour suprême mais sur aucun autre sujet n'a-t-on soulevé la nécessité ou l'urgence ou même la possibilité de référer autre chose à la Cour suprême.

JEAN RIVARD: Ce que je vous demandais, Monsieur le Premier ministre, c'est l'ordre de référence de cette question du Sénat à la Cour suprême. Vous aviez dit que vous consulteriez vos

collègues provinciaux pour la rédaction. Est-ce que vous avez pu arriver à un ordre après consultation?

R: Oui, je crois que c'est déjà fait. Il faudra que je vérifie auprès des ministres de la Justice mais j'ai écrit à tous les premiers ministres il y a à peu près six semaines leur donnant 14 jours pour faire des commentaires sur ce que vous appelez l'ordre de référence. J'ai fait la même chose avec les chefs d'Opposition. Les délais sont depuis longtemps expirés et je serais fort étonné qu'on n'ait pas déjà fait la référence à la Cour suprême mais je ne peux pas vous le garantir. Certainement, cela non plus n'a pas été discuté aujourd'hui. Je crois que tous sont plus ou moins satisfaits, sont satisfaits de ce que j'avais proposé comme ordre de référence. Quelques-uns ont suggéré des ajouts que nous avons acceptés.

MR. MIKE DUFFY: (CBC) Prime Minister, the discussions concluded, the public discussions concluded yesterday with the agreement on a formulation of a short list which, after 51 years, seemed to be, next to Victoria perhaps, the most progress that had been made at any constitutional meeting of this type. What happened between the time we adjourned here yesterday and the time you came back to this conference room a few minutes ago that would prevent the formulation of the short list? It seemed that all premiers agreed there should be a short list. Today the communique has none. Why?

A: Well, the communique does refer to the distribution of powers and to what all parties said on it in the past two days, and the communique refers to the continuing Committee of Ministers - all the things on the short list.

MR. DUFFY: But with great respect, sir, it's a very broad short list that you have in your communique. Why do you think, if the First



Ministers were not able to reach agreement on putting the short list with some specifics such as using spending power and the various other issues that were discussed, why, if you weren't able to reach agreement today at lunch, would you think that the Justice Ministers would be able to reach agreement?

A: But there was no disagreement at all at lunch on what should be in the short list. It is the thing that we said yesterday and the day before and this morning. I would be very surprised if you have heard anything different. We all agree on what should be studied by the Committee of Ministers. We agree on the items. Most of them, insofar as distribution of powers, were taken out of the Premiers' communique in Regina. We agree that the short list should contain the Senate -- sorry, the Supreme Court and the monarchy. We agreed that the short list should cover human rights, including language rights. We just didn't want to at lunch attempt to spell out what particular provisions would come under each of those items in the short list. But the short list has not been changed or modified, and I'd be very surprised if anyone had told you the contrary.

MR. DUFFY: The communique was changed though, sir.

A: The communique could have been changed. I have no idea.

MR. DUFFY: The original draft communique, in our understanding, was a lot broader than what we have here now, these two very general pages.

A: Well, you must have had access to some drafting exercise by federal and provincial officials. But the Premiers didn't want to get in that drafting exercise. They said that will be the job of the Continuing Committee of Ministers to say what we say on the particular item of limiting the federal spending power, for instance, and how shall it be limited and so on. We could have quoted everything they said at Regina and everything they said yesterday, but we didn't see any advantage in doing that. That, I repeat, will be the job of the Continuing Committee. I can assure you that there was, to my honest recollection, no attempt over lunch or at any other moment to subtract or add things to the short list, and that's why I repeat the first paragraph is very comprehensive, with respect.



CATHERINE BERGMAN (Radio-Canada): M. le Premier ministre, quelle que soit la couleur des gouvernements du Québec, ils ont toujours refusé d'aborder la question du rapatriement avant celle du partage des pouvoirs. Sachant cela, pourquoi avez-vous décidé d'ajouter dès maintenant la question de rapatriement au programme du Comité constitutionnel?

R: Eh bien, il ne s'agit pas de l'avoir décidé à cette Conférence. Nous discutons de rapatriement depuis 1927. C'est bien connu, la province de Québec a participé à au moins une dizaine d'exercices de ce genre. Nous n'avons jamais réussi à nous entendre, toutes les provinces entre nous et le Gouvernement fédéral. Parfois c'est le Québec qui ne s'entend pas. Sauf erreur, à Edmonton, c'était l'Alberta qui ne s'entendait pas sur la formule d'amendement. Mais ce n'est pas une raison pour ne pas l'aborder et tenter de résoudre ce problème.

CATHERINE BERGMAN: Etant/<sup>donné/</sup>que c'était la première fois qu'il y avait un déblocage sur la question du partage des pouvoirs, pourquoi ne pas avoir laissé faire des progrès concrets sur ce sujet-là avant de remettre sur le tapis la question du rapatriement c'est-à-dire attendre en fait à la Conférence de février?

R: Eh bien parce que nous avons tous convenu d'étudier trois sujets plus, sauf pour le Québec, un quatrième. Mais le Québec ne s'oppose pas à ce que l'on étudie des formules d'amendements. Simplement il ne veut pas y participer, lui, la province, le gouvernement provincial. Mais je l'ai dit clairement ce matin: essayons de faire des progrès sur les quatre sujets et on verra en février s'il y a eu des progrès ou non sur les quatre sujets. On décidera à ce moment-là si on peut procéder avec un ou deux ou trois ou s'il faudra absolument avancer sur les quatre. Mais je ne pense pas que même le gouvernement québécois s'oppose à ce que nous, nous cherchions des formules d'amendement qui pourraient peut-être agréer à tout le monde.

MR. PETER DESBARATS: (Global) Mr. Prime Minister, the dialogue between yourself and Premier Levesque had a very historic ring to it, and after listening to it I wondered whether there was any reason to believe that we are any further ahead at this point toward achieving a truly Canadian constitution than we have been in the past, and how you felt about your own target of achieving some movement in this direction by July 1st after this morning's session.

A: Well, I certainly attempted to answer that this morning, in particular when Premier Blakeney asked the question: What happens in February -- and I believe I am addressing myself to Miss Bergman's question -- what happens in February if we don't move on everything, including patriation? And I pointed out (I hope you were listening) the technical difficulties of changing the constitution, particularly by limiting federal powers, until we have an amending formula. But I said it could be done and I indicated one way in which it could be done: it would be by a federal Bill and I haven't heard any argument against that.

When we presented a federal Bill last June, the provinces said "No. You should do this unilaterally." But now, since they want us to make some change in the distribution of powers, I think they will have to tell us how they want it done. We can do it by statutes adopted in the provinces and concurrently in the federal government - but, then, that won't be entrenched; or we can do it by going to Westminster and telling Great Britain that it should adopt a further BNA Act limiting federal powers - and I indicated it wasn't my intention to do that; or we could do it by reaching agreement on an amending formula, and that is why it is right in here, and at least nine of the provinces and the federal government consider it an urgent matter to find ways to patriate the constitution.

MR. DESBARATS: One of the provinces has said that it is not going to co-operate in pursuing that, so doesn't that bring that effort to a halt at this point?

A: Well, I think the Quebec government will have to answer that question indeed. On the one hand they want the federal government to transfer powers to the province of Quebec and to other provinces; and

I take it that if they want that transfer, they want it to be some way entrenched; they don't want it to be changeable next year if we change our mind. And I asked them how they want it entrenched, how can it be entrenched? Are they saying that the Canadian government should go to London and limit its spending power, for instance, in some way? I haven't heard an answer to that.

SERGE RIVEST (CHRC Québec): Monsieur Trudeau, le fait que M. Lévesque ait été en fin de compte le seul premier ministre à s'opposer à ce que l'on discute de formule d'amendement et de rapatriement de la Constitution me pousse à vous demander la question suivante: est-ce que, comme vous l'évoquiez il y a deux ans, il y a encore possibilité que vous ayez envie de rapatrier unilatéralement la Constitution et, d'autre part, est-ce que ce qui est arrivé en fin de compte ne compromet pas l'échéance du 1er juillet?

R: Il ne peut pas être question de rapatriement unilatéral puisque nous avons au moins neuf provinces qui disent que c'est important et urgent que nous rapatrons la Constitution. Alors il ne s'agira pas d'unilatéralisme.

SERGE RIVEST: Cela veut dire que vous abandonnez l'idée qu'il faille un accord unanime en fin de compte pour rapatrier la Constitution ou pour réformer la Constitution?

R: Je pense que personne n'a jamais dit qu'il fallait que ce soit unanime. Si tout le monde était d'accord que l'unanimité était bonne en tout et partout, nous aurions trouvé effectivement une formule d'amendement. Mais j'ai entendu et vous l'avez entendu ici, un premier ministre comme M. Lougheed dire: il faut l'unanimité. Et un premier ministre comme M. Blakeney dire: non, il ne faut pas l'unanimité, cela ferait vraiment une Constitution trop rigide.

MR. PATRICK NAGLE: (Vancouver Sun) Sir, given the outcome of this conference, do you still intend to use the existing federal government right to amend the constitution in the areas where you are competent to do so?

A: Well, I don't have that intention now. I am hopeful that by February we will be able to reach enough agreement in these areas to have what Premier Blakeney called "a package" on constitutional matters on which we would agree. How that particular package is moved ahead with is a question that I have asked the provinces themselves, and which I have just repeated to Mr. Desbarats. We could do it in a federal statute, if that is the way they want; or we can do it by going again and again and again to Westminster; or we can do it by agreeing on an amending formula, and until February is here I can't say which of the three methods will be the ones the provinces either prefer or ask us to use.

MR. NAGLE: Well, sir, just to be absolutely certain, Bill C60 states quite plainly that the federal government has certain rights, such as Senate reform and reform of the Supreme Court of Canada. You reserve those rights but are you going to act on them? In other words, sir, Bill C60, is it still on the table in parliament across the street?

A: No, its not, because it was on the table in the last session --

MR. NAGLE: Yes.

A: --and we haven't reintroduced it. But we indicated that we would want to have the results of this conference, the results of the Pepin/Robarts Committee, and we want to have the results of the Standing Committee on the Constitution, the Joint Committee of the Senate and the House of Commons on Constitution.

Now, we don't have the Pepin/Robarts results yet. I hope



they will come before the end of the year or very early in the New Year so that we could, if necessary, draft a new C60. I point out to you that the Standing Committee of the House of Commons and of the Senate unanimously agreed that we should have a declaration of powers -- sorry, a declaration of fundamental rights in a federal bill, and what they are saying is that some aspects of C60 we certainly agree with, and I guess it is fair to say we would want to proceed at least with that kind of thing but our first choice would be to get all the provinces to agree, or as many as possible, as they did seem to agree, you will recall, yesterday afternoon - not unanimously but, by count, I think that there were about five provinces that agreed. And then when we went to the "notwithstanding" formula that was discussed between Mr. Lang and Mr. Lougheed, I think I can say without breaking any confidence that a couple more premiers last night added themselves to the list. I really shouldn't be quoting in detail, but by my count there are only two provinces that wouldn't want an entrenched Bill of Rights, providing there is a notwithstanding clause in it.

MR. MARK PHILLIPS: (CBC) Let me pursue that one more step. You say it will be preferable to work with either a unanimous or at least majority provincial approval past February to go ahead with the various options proposed today. I am just wondering whether you still intend to do that on those issues which are now before the Supreme Court and the Sub Committee. In other words, you have mentioned the Bill of Rights, but what about the Senate and Supreme Court?

A: Well, the Senate I can answer quite unequivocally and I made the point at the conference yesterday, is that we would not proceed without the concurrence of the provinces on changing the Senate until we had a decision from the Supreme Court. Was there another aspect of that?

MR. PHILLIPS: The Supreme Court itself.

A: The Supreme Court itself? You heard the consensus yesterday. I think it is fair to say that all agreed that the Supreme Court should be entrenched - at least all those who spoke about it yesterday - that it should be entrenched in the constitution rather than just be a federal statute.

The nature of that Supreme Court may be different in the eyes of some but the fact that it should not be a mere federal statute but entrenched in the constitution seemed to have, to my memory, the concurrence of all. The question of how regional confidence in that court is obtained was indeed a matter for debate. Premier Bennett of British Columbia proposed one method of doing it - to wit, the nomination of judges would be approved by a new Senate. Others suggested it would be sufficient to consult the Attorney-General, and it is fair to say that beyond the general agreement to entrench, we are not agreed on what the particular composition of the court should be and what particular method of selection of the judges should be.

I have indicated that we are quite flexible. I really don't care if it's eleven or nine judges. I asked the Quebec delegation quite directly yesterday, "Does it matter to you and do you have any particular views on whether the court should be sitting on civil law matters?" because you will recall that the reason we were suggesting to go to eleven judges is to permit a panel of four civil law judges. But if Quebec is not feeling strong on it, we would gladly go back to the nine judges, which was my original inclination in the first place.

MR. DOUG SMALL:(The Canadian Press) Would you plan to bring the constitution home with or without provincial consent before the next election, and how do you plan to reverse your slide in the Gallup Poll today? There is a complete reversal since January 1977. The Tories are now leading your Liberal party.

A: Well, on the first part of the question, I dealt with it a moment ago when I said the question was not only hypothetical but unrealistic because there are at least nine provinces who feel that it is important and urgent to bring the constitution home. So I obviously wouldn't act alone. I have at least nine provinces with me. But when that will happen, whether before or after the Gallup Poll changes, I really can't say. I guess my most proud comment about the Gallup Poll is that I'm pretty darn lucky I didn't call a general election in September.



PAUL RACINE (Radio-Canada): Monsieur le Premier ministre, rapatrier la Constitution, c'est évidemment ramener un bout de papier si important soit-il au Canada. Ce qui compte, c'est ce que l'on fait avec le bout de papier, c'est-à-dire la formule d'amendement qui va avec. Alors vous dites qu'il y a neuf provinces qui seraient probablement d'accord pour rapatrier le papier mais est-ce que vous seriez prêt à faire adopter un mode d'amendement à la Constitution malgré l'opposition d'un seul gouvernement, mais qui serait le gouvernement du Québec?

R: Non, je n'ai même pas dit que les neuf provinces étaient d'accord sur un mode d'amendement...

PAUL RACINE: Non, pour le rapatriement. Mais rapatrier, c'est ramener un papier ici. Mais je parle du mode d'amendement, parce que rapatrier un document en soi, cela n'a pas tellement de signification si on ne peut pas le modifier.

R: D'abord, cela dépend des personnes de qui on parle. Moi, je trouve que cela a une certaine importance que le Canada ne soit pas le seul pays au monde à ne pas avoir sa Constitution. C'est évidemment pas votre avis, ni l'avis de M. Lévesque. Mais moi je trouve qu'il y va vraiment d'une question de fierté, surtout pour un gouvernement comme celui de M. Lévesque qui parle toujours de relent de colonialisme, il y a va de notre fierté comme Canadiens de dire: enfin, nous avons une Constitution à nous. Nous avons réussi comme Canadiens à faire cela. C'est juste un bout de papier comme vous le dites, mais ce bout de papier se trouve à être le fondement de toute la société civile. Sans ce bout de papier, comme vous l'appellez, il n'y a aucune loi qui tienne parce qu'au fond, c'est pas l'autorité du prince ni l'autorité du pape qui fait qu'on obéit à des lois. C'est l'autorité de la Constitution. Alors pour moi, il importe que cette Constitution soit un document à nous plutôt qu'un document anglais. Je comprends que dans la dialectique séparatiste, ils aiment mieux que cela reste en Angleterre. C'est pas notre avis, c'est pas l'avis de notre Gouvernement, c'est pas l'avis des neuf autres provinces. Alors on est devant cette absurdité que le seul gouvernement qui parle de statut colonial, c'est aussi le gouvernement qui

veut maintenir ce statut colonial vis-à-vis l'Angleterre.

Question de choix.

PAUL RACINE: Monsieur Trudeau, ce que je voulais vous demander, c'est pas...

R: Vous n'avez pas parlé de bout de papier, non?

PAUL RACINE: D'accord. J'ai dit si important soit-il. Ma question c'était: est-ce que vous êtes prêt non pas à rapatrier la Constitution, mais je dis qu'il faut un processus d'amendement qui va avec sinon c'est avoir une télévision sans avoir le mode d'emploi. Alors est-ce que vous êtes prêt à imposer un mode d'amendement à cette Constitution, même si le gouvernement du Québec n'est pas d'accord?

R: Je ne suis pas prêt à imposer ce mode d'amendement. Si je l'étais, je ne me serais pas mis d'accord avec ce communiqué qui demande aux Procureurs généraux et aux ministres des Affaires intergouvernementales d'étudier puis d'essayer de s'entendre sur un mode d'amendement.

PAUL RACINE: Oui, mais la province du Québec est la seule province qui a dit qu'elle ne veut même pas en discuter.

R: Eh bien, elle n'en discutera pas.

MR. PAUL PARK: (CKCU) Prime Minister, over the last 51 years we have had ten such conferences; we are going to have an eleventh one next February. How long is it going to be before you quit talking and start getting to concrete action on getting some real changes?

A: Well, I gave you that answer last June when I brought in Bill C60, and I think perhaps it is more and more evident to a lot of people now that we either can wait another - how many months and years I don't know. We will know in February. But we have said quite clearly last June that if the provinces can't agree on anything, and they can't even agree on bringing it back, and if they also think that it always has to be done with unanimity, then we will go ahead and write a constitution on our own in federal matters, as we did in Bill C60. And if they say some of these things are provincial matters, we say we will take them out as we did with the Senate. So that's action; that's action.

MR. PARK: You are not going to wait for unanimous consent from all ten provinces?

A: Well, no. I am waiting until next February for that consent and I hope it will come.

MR. DICK GWYN: (The Toronto Star) There are two questions, Prime Minister, one of clarification. On this short list, this disappearing short list, is the Senate on it?

A: Not, I would think after the statement I made yesterday. We made some short attempt, you will recall, to discuss the Senate but at least - was it four or five Premiers said that they were reasonably happy with the status quo providing we took a little more care in appointing the senators. But they weren't suggesting that, really, the basic composition way of setting it up be changed. So I didn't pursue it, and if the Attorneys-General and Ministers are wise, they won't spend too much time on it because it didn't look yesterday as though a consensus was going to develop on reform of the upper house, and if that is the case I am advising them to put it aside so that at the February conference we have reports on things on which they can make progress.

MR. GWYN: Prime Minister, why I asked about the Senate is that Premier Bennett thinks it is on the short list; he told me so in an interview and I am sure he told a lot of other people. He feels very strongly, and as a matter of pride, that there is an initiative on it. Could you explain why you haven't agreed on what it is you have agreed?

A: Well, I made that clear yesterday too and there is a provision in here which says to the Attorneys-General, "You study everything that we talked about. But if on some things you feel you are not making progress, don't let the whole thing bog down on that." I am happy if they study the Senate. My prediction is that they won't make great progress, and therefore my advice would be, "Don't take up all of your precious time on the Senate. There are other things on which we can make progress."

Look: 3, sub paragraph (c):

"to ask the Constitutional Committee to provide them" --  
the governments --

"with interim reports on difficulties that might  
arise during its deliberations, which could prevent  
specific proposals being framed prior to their next  
Conference on the Constitution;"

That is exactly the answer to your question. Go ahead and study the  
Senate, if B.C. <sup>really</sup> wants it to be studied, but don't wait until the end  
of January to tell us, "Gee, we spent three months on the Senate and  
we have made no progress." Tell us right away at the first meeting three  
weeks from now and then we will give you some instructions that maybe  
you could move on to something else on which you can make progress.

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TRANSCRIPT OF PRIME MINISTER BEGIN'S AND PRIME MINISTER  
TRUDEAU'S JOINT PRESS CONFERENCE, NOVEMBER 7, 1978, OTTAWA

TRANSCRIPTION DE LA CONFERENCE DE PRESSE CONJOINTE DES  
PREMIERS MINISTRES BEGIN ET TRUDEAU, LE 7 NOVEMBRE, 1978,  
OTTAWA

PREMIER MINISTRE: Bonjour Mesdames et Messieurs, je suis heureux de vous présenter le Premier ministre Begin, un visiteur parmi les plus distingués que nous ayons reçus, un homme qui a joué un rôle crucial dans l'établissement de son pays et ensuite dans la politique qui a suivi et un homme qui maintenant, comme vous le savez, depuis le Camp David qui lui a mérité le prix Nobel, un homme qui joue un rôle crucial dans l'établissement de la paix non seulement entre son pays et l'Egypte, mais, nous l'espérons, la paix dans le Proche-Orient qui est un lieu où la sécurité de tous les pays est engagée.



Ladies and Gentlemen, I am happy to introduce Prime Minister Begin. He is a very distinguished guest. We are very honoured to receive him. We discussed many questions together but I made known to the Prime Minister the very warm feelings of Canada towards the State of Israel, towards his government, towards the man he is, a man who has endured great hardships in the name of a cause in which he believes, but a man who has shown that he can fight hard. But more important for the stability of the world and of the Middle East in particular, a man who has shown the way to peace. He is a very welcome guest. We discussed namely subjects relating to the Middle East but there were a few bilateral subjects that we also had the time to discuss and hopefully to settle. It is a pleasure therefore, to hand the mike and the floor to you, Prime Minister. Thank you for coming.

PREMIER BEGIN: Thank you, Mr. Prime Minister. Mr. Prime Minister, Ladies and Gentlemen, first of all, I wish on behalf of my wife, my colleagues and myself to express our <sup>deep</sup> gratitude to the Prime Minister for inviting us to come to this great country. I know very well Canada. An ocean divides us and friendship brings us together. We have the same values, we believe in the same ideals, of freedom and democracy, and this creates the affinity between our two nations. We have had until now three talks, last night and today a private talk with the Prime Minister and then his advisors and my colleagues. And, as the Prime Minister said we debated the issue of peace in the Middle East. As well as several bilateral problems concerning Canada and Israel. I informed the Prime Minister and his colleagues about the developments which led through the Camp David Conference since the visit of President Sadat in Jerusalem. And also about the state of the negotiations for signing the peace treaty between Egypt and Israel. But I can tell you now without going into details, for reasons ~~which are~~ obvious to you, because they are very delicate negotiations, that the negotiations themselves are quite satisfactory. We made real progress. We have a draft peace treaty. Not all the problems



are already solved or agreed upon, there are also some differences of opinion, but many issues are already not only solved but also agreed upon. We do hope that eventually after a period of negotiations I wouldn't try to fix a date, it may be a week, it may be two, it may be even more, you shouldn't be too impatient. When I was in the United States, I had to tell them the strike in the New York Times lasted eighty days, so for three months they couldn't find the formula to re-open the newspaper, and over here deal with the conflict <sup>the last</sup> for thirty-one years, exactly <sup>for</sup> sixty-one years. So we must all be patient, and in time we shall find solutions to our problems, <sup>and</sup> ultimately sign the peace treaty between Egypt and then go on to solve other problems with the Palestinian Arabs, then we have also hope that we shall negotiate peace treaties with our other neighbours. The purpose is to find a comprehensive peace settlement in the Middle East and have peace treaties signed with all the states which are neighbouring the State of Israel. Of course, it always depends on both sides. I may add the resolution adopted in the Bagdad Conference and that is complete negativism. So we shall never lose hope for a change of heart. And we hope that there will be peace in the Middle East. Thank you Ladies and Gentlemen for your attention, if you have any questions to ask me I will try to evade in my replies whatever you ask me but I will do it in friendship.

Q. Mr. Begin, did you find that the Canadian position on Camp David accords and on the peace agreement was ... is there a specific Canadian position which was related to you?

PREMIER BEGIN: There is deep understanding by the Prime Minister, by the government of Canada ...

PRIME MINISTER: And admiration ...

PREMIER BEGIN: For the Camp David agreements.

PRIME MINISTER: And support ...

PREMIER BEGIN: And support.

O. Mr. Begin, were questions raised on whether Canada might contribute toward a withdrawal from the Sinai, might contribute to ...

PRIME MINISTER: Peace keeping ...

O. ... rehabilitation and other costs that might be involved in the withdrawal from the Sinai?

PREMIER BEGIN: We didn't mention any financial aids. As you know in the United States, we didn't ask for a grant, we asked for a loan, for a longer period of time. Because great expenditures will be incurred in evacuating an army of tens of thousands of men, and all the installations built during the eleven years. As far as Canada is concerned, we didn't ask for any financial help. We asked for a balance in our trade exchanges which is completely natural. The Prime Minister promised me with his colleagues to do whatever is possible to have that balance achieved. So both countries will benefit <sup>from</sup> it, but we speak about United Nations forces <sup>at</sup> Sharm-el-Sheikh to <sup>make</sup> sure the freedom of navigation through the Tiran Straights. And this time we have already agreed with the Egyptians that those United Nations forces will not be removed unless there is a positive vote of all the five permanent members of the Security Council. In other words, those five members who can veto any resolution. It was not the case in 1967 when NASA asked <sup>to</sup> ~~to~~ remove the United Nations forces and without any deliberations of the Security Council they were removed immediately and war broke out. This time in the peace treaty with Egypt we make sure that that will not happen again. And as you know there are Canadian soldiers in the United Nations force <sup>if</sup> they will participate in the new force in Sharm-el-Sheikh I cannot say now, I believe it is up to the Canadian Government to decide if they are invited by the United Nations to give their share.

O. The best Bank? A new contribution, what area are you thinking of there?

PRIME MINISTER: Sinai.

PREMIER BEGIN: We spoke about two places in Sinai. The south, Sharm-el-Sheikh the entrance into the Gulf and the Northern part, <sup>should be</sup> a buffer zone, between Israel and Egypt.

Q. Do you still anticipate a buffer zone <sup>Israel and</sup> between/Egypt, even though you might be establishing full diplomatic relations?

PREMIER BEGIN: Well, Sinai will be divided in three zones, there will be Zone A, along side the Suez Canal, there the Egyptians will hold one infantry of mechanized division. There will be Zone B in the middle, where they will keep four battalions of not the army, of the border police -- special force. And there will be Zone C, near the international border also without the army, and there won't be warplanes flying over Sinai. And then on our side we will also have small zone because ours is a small country as you know, between three kilometers and one kilometer, in which we will keep only also four battalions. So these are <sup>the</sup> security arrangements envisaged now, in general terms, in the peace treaty. There are some other details to be worked out and these negotiations on the annex on the security arrangements and the military affairs are going very well. And I think we shall soon have complete agreement on these issues.

Q. Mr. Begin, did you discuss the question of linkage to the West Bank and Gaza issues, particularly, coming out of a Cabinet meeting in Israel this last weekend and ...

PREMIER BEGIN: I wasn't, I was in United States. But the word linkage is not the proper expression. What is linkage? We signed a document at Camp David which holds two parts -- 1) in which we promise each other, Egypt and Israel, to conduct negotiations to conclude the peace treaty within three months since the signing of that framework. And now we do so. And the other part is how to solve the problem of the Palestinian Arabs through giving them <sup>is</sup> autonomy, and through assuring security for Israel. It/all written

in the framework. When the negotiations for the peace treaty between Egypt and Israel are finished and the peace treaty is concluded and signed and properly ratified and instruments of ratification are exchanged, we shall start the other part of the negotiations. There is no problem at all, only we need the partner for the negotiations.

Q. Mr. Begin, on bilateral issues did you discuss the Arab Boycott of Israel, the Canadian laws?

PREMIER BEGIN: We did. Yes Sir, we did.

Q. Can you tell us what your position was vis-à-vis the Canadians?

PREMIER BEGIN: I can only say that I am grateful to the Prime Minister for his reply on this issue.

Q. Were you satisfied then with his reply? That the Canadian legislation was satisfactory?

PRIME MINISTER: I gave the Prime Minister the assurance that the policy we had designed was supported by the main leaders of the Jewish Community in Canada. And he took my word for it, and this satisfied him if I had the support of the leaders of the Jewish Canadian community, I believe that was your position Prime Minister.

PREMIER BEGIN: I expressed <sup>my</sup> appreciation for the attitude taken by the Prime Minister and the Government of Canada concerning this so-called indirect boycott. We are not boycotted, the firms which want to do business with Egypt are boycotted and black-listed. And I understand that there will be perhaps a bill brought to Parliament. We appreciate very much this action by the Canadian government.

MADELEINE POULIN (Radio-Canada): M. Trudeau, pouvez-vous nous dire à quoi vous vous êtes engagé envers M. Begin en ce qui concerne la contribution du Canada au maintien ? de la paix au Moyen-Orient ?

R: Il a été question de la possibilité de ces forces mais comme l'a dit le Premier ministre, c'est trop tôt pour savoir ce qui sera prévu dans le Sinaï. M. Danson qui était avec moi, le ministre de la Défense, a indiqué bien sûr que nous avons déjà des forces de maintien de la paix dans plusieurs zones du Proche-Orient et que si on nous demandait un nouvel appui, nous verrions à répondre aussi positivement que possible. Il n'y a eu rien de plus précis que cette discussion un peu générale.

PREMIER BEGIN: Thank you very much, Ladies and Gentlemen.





TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE,  
OTTAWA LE 14 NOVEMBRE 1978 - 16h

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TRANSCRIPT OF THE PRIME MINISTER'S PRESS CONFERENCE, OTTAWA,  
NOVEMBER 14, 1978

Rendue publique à 19h40

Released at 7:40 p.m.

JACQUES RIVARD (Radio-Canada) Monsieur le Premier ministre,  
il y a certains ministères qui demeurent sans titulaires;  
je pense au Travail et à la Justice. Il y a M. Francis Fox  
qui demeure toujours député après avoir été ministre.

Est-ce que vous envisagez l'éventualité de remanier votre  
Cabinet probablement d'ici les fêtes, par exemple?

R: Oui d'ici les fêtes, je pense qu'il y aura un  
léger remaniement ministériel soit avant les fêtes, soit  
pendant les fêtes.

JACQUES RIVARD (Radio-Canada) Est-ce que le remaniement  
améliorera la représentativité des anglophones au Cabinet  
dans votre esprit actuellement?

R: Tout remaniement sera une amélioration dans  
tous les sens du mot.

CLAUDE TURCOTTE (Le Devoir) Est-ce qu'on peut vous demander  
à partir de quels critères vous allez effectuer un remaniement;  
si vous pouvez nous donner un peu... quel barème, quel ...

R: Le maximum d'efficacité du gouvernement. Ce sera  
mon critère de base.

CLAUDE TURCOTTE: Ce serait l'objectif, pas un critère.

R: Mais c'est sur l'objectif que vous allez juger  
le remaniement, certainement.

DAVID HALTON (CBC TV-News): Prime Minister, after the nose-  
dive the Liberals took in last month's by-elections and in  
the recent Gallup poll, could you give us an indication of  
how you think yours and the Party's fortunes can be turned  
around prior to next Spring, and if indeed that you are  
confident that the situation can be reversed?

A. Well, observing the swings in popularity and in  
Gallup polls over the past couple of years, I would predict  
that history will begin to swing in our direction now. Some  
of these problems that government is dealing with are very

complex and it takes a little bit of time for people to understand the wisdom of the governments dealing with them.

RICHARD GWYN (Toronto Star):

Mr. Prime Minister, tomorrow is the anniversary of the Parti Quebecois' victory. I want to ask you two questions related. One: how do you read the pluses and minuses in the changes in political attitudes in the country at large that have taken place during those two years. And, secondly, the Parti Quebecois has been changing and softening its definition of Sovereignty-Association. Do you read that as a change of heart or as a change of tactic?

A. Well, I think the question is not unrelated to the previous one by Mr. Halton. After the election of the Parti Quebecois, there was a month or two of reassurance that because after all it hadn't been an election on separatism but on good government so they said. And then the Parti Quebecois began to harden its line and say that they really meant business in terms of separation. And then there was this swing upwards in the Federal fortunes and seeing which I think Mr. Levesque's government very wisely began to down-play their desire to separate and to down-play the whole menace to national unity which a separatist party can only signify. And, this has caused a certain relaxation on the part of Canadians as regards the danger of disturbance to our quiet repose as Canadian citizens. And, this has certainly been, in part, an explanation for not only the different perceptions of public opinion but the different tactics adopted by Mr. Levesque's government. I pointed out at these conferences before that from separatists which they were some years ago, they became independentists and then they became in favour of a new deal which was called a loose confederation and then very soon it was no independence unless there is association and a common market and a monetary union and so on. So, you ask me if this is a change of heart or a change of tactics, I have no doubt in my mind that it is a change of tactics which may or may not be permanent depending on the reaction of other

governments in Canada and the Canadian people. Obviously, the PQ are discovering something which I have been saying for several years now to some scoffing by the observers when I was saying that separatism is dead in the sense that even the Parti Quebecois itself does not believe that it can sell separatism. It's trying to sell something else after which it will show its true colours which are separatist colours.

Alan Bayless (Hall St. Journal)

Yes. I had a question on the decision to purchase Pacific Petroleum. Mr. Gillespie said that it was basically to ensure security of oil supplies and I was wondering if the government is concerned that oil companies will stop drilling for oil or slow down their drilling if the government sticks to its new policy on oil and gas prices.

A. I would place the answer in a much larger context, one which we have developed over the years and I think described as more domestic control over the domestic economic environment. This is true particularly in petroleum. The ten majors in Canada were all foreign-owned. Canada is, I think, the only country, with the exception of the United States, the only country which has petroleum resources and which does not have a national oil company. To me it seemed a rather obvious move that we should set up Petro-Canada to help Canadianize at least in a very very small part that important resource for Canada and Petro-Canada having been set up I think it has been looking for a significant role. There was a near miss with Husky some months ago and now with Pacific Pet. being up for sale, this was probably the last chance that Canadians had to acquire a place in the top ten in that particular industry and I repeat the top ten firms are all foreign controlled which does not seem to bother at least some of our opposition but which is of concern to many Canadians and when you see the statistics of foreign control in petroleum, in mining, and manufacturing, there has been a subtle but continuous pressure by this government to achieve greater domestic control of these areas and we have done that through tax incentives to increase the role of manufacturing or upgrading of our resources. We have done that through the

FIRA, through the Foreign Investment Review Agency. We have done that through making an offer to achieve control of Pacific Pet.

Q. You are not concerned then about a slow down in drilling by the foreign-owned oil companies?

A. Well, I do not see why there would be a slow down in drilling because suddenly the Canadian Government through an agency, through a Crown Agency, is controlling a small sector of our industry. After all we have les Gaz d'Aquitaine which is a French Government controlled firm. We have Petrofina which is controlled by Belgium. We have Pacific British Petroleum which is in part controlled by the British Government. We even have the Province of Alberta who through Alberta Gas Trunk and through its holdings in Heritage Alberta, is controlling some of the industry. Why should it only be bad for the Canadian Government to do so?

Q. I'm sorry, it is the question of the price of oil and gas, sir, rather than taking over of a petroleum company.

A. Well, I fail to see how the price of oil and gas would be affected by Petro-Canada controlling a share of it rather than some foreign interest.

Q. Oil and gas drilling as a result of the price of the commodity and the government has recently decided not to increase the prices of oil and to possibly reduce the price of natural gas.

A. This has nothing to do with Pacific Pet. This is another question that you are raising.

Q. This is a question of reduction in drilling. Are you concerned that companies will be reducing their drilling of oil and gas?

A. But the history of our policy has been quite different because of the incentives we have given to the petroleum industry in the past few years. There has been an increase in discovery of gas in Alberta and in oil too. And, it would seem to show that the government policy has been right.

Q. I was referring to future drilling.

A. Well, the future will be as good as the past.

ANDY SZENDE (Toronto Star):

Prime Minister, there seems to be a polarization between English and French-speaking Canadians as demonstrated by the recent by-elections. Your party lost all its seats outside of Quebec. The Conservatives lost their one seat in Quebec. Are you concerned about this apparent polarization and to what extent do you consider yourself responsible for it?

A. Well, I'm not concerned about the polarization. The Liberal Party still has many seats outside of French Canada. And, even where it does not have seats it still has many votes. So, there is obviously a support for our party amongst English Canadians as well as French-speaking Canadians.

Q. Could you share with us, sir, what are some of the yardsticks that you personally use about your own performance as a prime minister as you assess yourself from month to month to decide how much longer you ought to continue in that office?

A. Well, if you tell me the yardstick you are using, I will tell you whether I share them. What yardsticks are you using?

Q. Sir, you are the Prime Minister.

A. You are asking if I share your yardsticks in assessing my future.

Q. No. Your yardsticks.

A. I cannot answer that until I know what your yardsticks are.

Q. No. I'm asking you, sir, how do you judge yourself, your own performance, whether you think that you ought to be continuing in that office.

A. Well, considering the alternatives I think I am the best man.

JACK BEST (Canada World News): This is a question with regard to the new fighter plane, Prime Minister. I would like to ask your comment on the statement by the Conservatives a few days ago that the government is deliberately arranging



the timing of this program so that they will not have to buy the new fighter aircraft and this Fall Mr. Danson's rather surprising statement that the contract is not likely to be let until towards the middle of next year. Just how firm and total is your present government's commitment to providing the armed forces ...

A. Completely firm and total. If there has been a slippage, it has been at the demand of those who are making bids. When I saw Chancellor Schmidt this Summer, he <sup>had</sup>/heard about our inclination to reduce the, I think, seven options to a smaller number and he personally, but this is true of some of the other bidders, asked for a few more months so that they could improve their bids. And, the Department of Defence in agreement with the Government just felt that if the bids could be improved even in terms of off-sets to Canada, in terms of the number of planes which could be purchased for a given amount of money or in terms of their efficiency in the performance of certain tasks we would willingly give them a few more months. There hasn't been any significant slippage and I'm not quite sure what or whom you are quoting in terms of ...

Q.: A statement by Mr. McKinnon.

A. In what way would it change our commitments if we take a few months more? You know, we have the budgets in DND. We have indicated quite clearly and we have adhered to that indication that capital budget would increase at 12% a year in real terms, that the other budget, the operating budget would at least increase to off-set cost of inflation and it is five year advance planning and it is all budgeted for.

JACK BEST (Canada World News): As a supplementary, a brief supplementary, I would like to ask whether in view of the present budgetary situation and the present restraint climate that we are in would by definition tend to throw the decision towards one of the cheaper aircraft of which you could purchase a larger number for a fewer number of dollars?



A. Well, that's a trade-off that DND will have to advise us on. There are cheaper aircraft of which you can get a greater number for the same price. But, obviously, they are not as good as the more expensive aircraft. And, what they are doing now is the same kind of operation they did when we bought a billion dollars worth of long-range patrol aircraft a couple of years ago. They had to choose between the Boeing which in terms of number of hours flight and so on was a bit better but so much more costly than the Lockheed that they could get more of the Lockheed to do the job and they chose the latter. It is still a very good plane but it is less costly and they probably will have to make the same kind of trade-offs here, particularly in Defence matters, if you want to get the best of the best all the time, you would be renewing your equipment constantly and probably over-qualifying your equipment. I think they will have to make a trade-off and they know what the fiscal envelope is. They know how much money they have. They know that they must adhere to this rather generous envelope, as I say, an increase in real terms of 12% for capital equipment a year which is a treatment that I do not believe any other department of government has gotten and within that framework with which they are happy they are trying to make the best choice.

GEORGE RADWANSKI (Financial Times): Sir, the report of the Finance Council of Canada suggests that when you take the deficit of all levels of government in Canada as a whole it's significantly smaller than those of some other major countries or at least internationally it is smaller than those of, say, Japan or West Germany and that hence there would be room for a significantly bigger federal deficit without causing any serious difficulty. Do you share that view?

A. Perhaps I can answer in this way by saying that your statistics are right and in that sense I have said repeatedly that it is not the size of our deficit which is frightening, though God knows there are voices in Canada trying to frighten

the Canadian public on that. But, it is not the size that is frightening. It is the rate of growth in the past two or three years and that is what we are trying to control, not the absolute size of the deficit but the fact that provincial, municipal and federal deficits in the past two years were growing at a very fast rate. I think it is about 15% a year as a rate of growth which is higher than the growth of the Gross National Product. So, in that sense, the government has expressed concern. And that is why we had the expenditure reductions last Summer. It is not once again to reduce the deficit as you know we are still going to be having cash requirements this year of the order of \$9 billion and next year, I believe, of 10 or 11. So, it is not the deficit itself which is either too big or will be too big. It was if we had not done anything to control the rate of growth then it could have been a danger.

GEORGE RADWANSKI (Financial Times): But the point of the Economic Council, sir, was that the deficits of other industrialized countries have also been growing very rapidly and that in terms of present economic circumstances and of experience in other countries there is room still at this time or for the next few years for Canada's deficit to continue growing and be significantly bigger than it is now. Do you share that view or not?

A. Well, I do not have the report precisely in mind. But, I can tell you that the deficit has been growing. The cash requirements will be of 9 billion this year, 11 billion next year, probably a bit more the year after, so, I share their view if it is that there is still room for the growth in our deficits. I just say we must exercise caution lest that growth which is necessary will become too fast and that is the point I'm making and that was the reason for our exercise last Summer in expenditure curtailment.

CLAUDE HENAULT (Montreal Gazette) Mr. Prime Minister, ever since the by-elections and even before that there was substantial indications either by the scientific polls or otherwise that

your popularity personally appeared to be even lower than that of the Liberal Party in English Canada and I would like to know whether you have been giving any consideration in the past, at present or whether you envisage the possibility of giving consideration in the future to stepping down from the leadership of the Liberal Party.

A. No. You see, in the many years when I was leading the party in terms of popularity I didn't think for a moment of ditching the party and I don't think they will think of ditching me now that they are leading me.

Q. I wasn't asking whether the party would think of ditching you. I was asking whether you, either for the good of the party or for the good of the country were thinking of stepping down?

A. Well, that's a more polite expression than I would use but I have no such plans now this year.

DAVE RINN (CJOH TV): Two quick questions, Prime Minister, both relating to the budget: do you think tax cuts would be good for the country right now to stimulate the economy?

A. Could you ask me that question Friday morning - I will give you a clear answer.

DAVE RINN (CJOH-TV) Do you think the economy needs to be stimulated?

A. Perhaps you are not informed but there is a budget at that occasion Thursday night and we will give the answer to that question.

DAVE RINN (CJOH-TV) The timing of the budget then you have got a First Ministers' Economic Conference coming up. Why not, as some of the premiers suggested at the last session, hold off the budget until after consultation with them, get some firm commitments from them and then come in with a federal budget?

A. I don't recall having heard them say that, perhaps they did, but Mr. Chretien visited all the finance ministers of all the provinces. He has their views on what should be done in fiscal terms by the Federal Government and he will attempt to respond to that. I am quite sure that if we had postponed the budget until after the First Ministers' Conference there would have been a double effect: the first would have been that he would have been told that he is breaking a commitment and an expectation to have the budget earlier rather than later. But, second and perhaps more important, the First Ministers' Conference likely would have turned essentially around short-term measures. What Mr. Chretien should be doing that week or the week after with his budget and that would be contrary to the agreement that the premiers and myself reached last year and again in correspondence to make sure that the conference dealt in large part with medium term measures because they know and we know, and they said so in so many words and are our communique said so, I mean the Federal/Provincial communique said so after the February conference that structural problems have to be addressed if we want the Canadian economy<sup>to</sup> appear to be really performing excellently in the years to come and that has been the purpose of the February conference and that will be the purpose of the conference later this month, essentially. There will be an item on short-term matters and on job creation schemes in the immediate future. I think all of us recognize it is the structural problems that have to be addressed.

JOHN GRAY (Ottawa Citizen): Mr. Prime Minister, could you tell us, going back to the First Ministers' Conference in February, has the government yet come to terms on the Gull Island project with Newfoundland and can you tell me whether the Cabinet has approved the terms of that agreement?

A. To that question I think the answer is yes. I shouldn't be surprised that by the time of the First Ministers' Conference we will have a clear agreement but I cannot promise it because I do not control the Government of Newfoundland. I do know we have made great progress. I do know that the Federal proposals have been very seriously studied by the Government of Newfoundland and my impression is that within weeks anyhow we will have an agreement on that.

JOHN GRAY (Ottawa Citizen): Can you tell me whether the terms of that agreement have been approved, the specific terms been approved by the Cabinet and whether the option of Nova Scotia being involved as a partner has been included in those plans?

A. I can tell you that the Minister of Energy, Mr. Gillespie, has had authority of the Cabinet for the negotiations <sup>has/</sup> he embarked upon. Both the provincial and federal negotiators are seeking agreement ad referendum in the sense that the final signature to an agreement must be authorized by the Federal Cabinet and by the Provincial Cabinet. But, Mr. Gillespie has been negotiating with federal authorities.

JOHN GRAY (Ottawa Citizen): The terms agreed to so far have not been approved by the Cabinet except the authorization for Mr. Gillespie.

A. Well, exactly. Anything in the agreement which corresponds to what he is authorized to agree to and I think that is the quasi totality has been already authorized by Cabinet but the whole package is ad referendum.



JEAN RIVARD (Télémedia) Monsieur le Premier ministre, la rumeur veut que vous vous rendiez en Europe, en tout cas au début de décembre ou avant la fin de l'année. Pourriez-vous nous dire les pays que vous avez l'intention de visiter et l'objectif de cette visite ou cette tournée européenne, si elle prend cette forme?

R: Ecoutez, il n'y a pas de décision sur une tournée européenne possible. Il y a des suggestions qui m'ont été faites par mes fonctionnaires, mon ministre et je suis en train de les examiner. Mais il n'y a pas de décision de faite encore.

FAY LARIVIERE (Le Droit) Le journal Le Droit a publié récemment une étude sur la région de l'Outaouais et de l'Est ontarien dans laquelle il est montré que l'Outaouais a perdu 25% de ses emplois industriels depuis l'été '76 en dehors des bois, pâtes et papiers. L'Outaouais québécois est la seule région du Québec qui ne bénéficie pas du ministère de l'Expansion économique régionale au point de vue de la création des emplois industriels. Est-ce que cette question-là a été soulevée au Cabinet par M. Lessard qui a en main également une étude faite par ses fonctionnaires sur le même sujet?

R: Je ne connais pas l'étude du Droit à laquelle vous faites référence. Mais si on excepte évidemment les bois, pâtes et papiers, on excepte l'industrie primaire essentielle de la région. Alors je ne vois pas la signification de ces statistiques. Si la région a une prospérité basée sur une vocation particulière, ce n'est pas la fonction du ministère de l'Expansion économique régionale de changer cette vocation-là.

FAY LARIVIERE: Vous-même, Monsieur le Premier ministre, cet après-midi aux Communes avez dit que le Canada essayait, et même vous l'avez répété tout-à-l'heure, que le Canada essayait d'encourager la transformation sur place des matières premières. L'industrie du bois et des pâtes et papiers dans l'Outaouais ne fait que très peu de transformation. On envoie



le bois séché aux Etats-Unis ou la pâte à papier, la pâte elle-même, c'est tout. Je parle de secteurs plus avancés qui peut-être pourraient créer...

R: Ecoutez, qu'on envoie le bois aux Etats-Unis, c'est vrai, mais c'est un produit fini. Bien sûr, les maisons qui doivent se bâtir dans Cincinnati peuvent difficilement être bâties à Hull. Pour ce qui est du papier, on l'exporte aussi en sommes considérables. Vraiment, vous me voyez un peu à court pour commenter votre question. Je ne suis pas ce dossier en détails. Puis il me semble que précisément lorsqu'on exporte le bois et le papier, on exporte des produits finis.

FAY LARIVIERE: Est-ce que j'en déduis que la question de la désignation n'a pas été soulevée au Cabinet encore?

R: Oui, votre déduction est exacte.

MARK PHILLIPS (CBC TV-News): Prime Minister, you referred to a process earlier in the press conference in response to David Halton's question about swings in public opinion. Are you prepared to wait until the very end of your mandate next July for the public opinion to swing back in favour of yourself and the Liberals and if so what do you plan to do in the next eight months?

A. Well, I think it is always a good idea to go to the electorate when they are feeling confident about the future. And, if this takes a few more months I will wait a few more months before deliberately calling an election. I think the role of government should be to express hope for the future in a way that the people can relate to it and the figures coming out this morning on investment intentions by the industry, various sectors of the industry indicate that the private sector now is beginning to have hope in the future of Canada. I think this may take a month or two to percolate down but I have no doubt in my mind as I don't suppose anybody in this room has that Canada has an incredibly good future. It will

take a bit of time for people to perceive it that way and by way of comparison with other countries or with our own immediate past to realize that things are looking good indeed for the future and once they reach that perception I think it would be a good time to have an election.

MARK PHILLIPS (CBC TV-News): You wouldn't predict how long that percolation process will take?

A. Well, with the efficient performing media we have I think that people will be perceiving that within you know a matter of months rather than days.

JOHN WARREN (CBC TV News):

Sir, I believe in the House today in answer to a question you said to accommodate the growing numbers of efficient performing media you chose to move from the Press Gallery theater to this larger space which quite obviously isn't larger. I am wondering if you can explain to us sir in a little more detail what your reasons were for deciding that this would be a better locale for you to present yourself.

A. I don't think I can make any very substantial comments on that. I understand the last time I came here it was because you people were engaged in painting your press place over there.

Q. Oh no sir it is the Public Works Department. We don't run it.

A. Our people were painting it?

Q. Yes.

A. Another waste of money. Anyhow we couldn't go there because it reeked of paint so we came here and it went well here, there seemed to be a lot of room for everybody and we thought we would come again but if you feel strongly about it I am prepared to go back.

PETER DESBARATS (Global TV): Mr. Prime Minister, two things have happened in regards to the press conference: first of all, there has been a change of locale which I think some of us

regard as being fairly serious because not only is it a change of locale but it is a change of moderator for the press conference and I think that we felt having one of our own as moderator was perhaps preferable. Can we be assured that the press conference will not only go back on a regular basis to the National Press Building but it will go back on a weekly basis at least when Parliament is in session. The original understanding, or agreement or whatever you want to call it we thought was that when the scrum was eliminated we were promised a regular press conference. It has been very irregular since the beginning of September.

A. Well, on the first question, perhaps on both questions, I would like to be shown some persuasive argument why this isn't as good a place as the other.

Q. It's colder.

A. It's colder. Well, we can warm it up a bit. It's a bit more of a walk for you and a bit more of a walk for me but that's not a bad thing either. In terms of the moderator, I think Mr. Charpentier is a very impartial person in spite of the fact that he used to work in the media. And, I think he's doing a good job quite frankly. If you have some legitimate complaints let me hear them and I will consider them.

Q. What was wrong with the old system, Sir?

A. I believe in change. I'm a Liberal.

The old system also I don't think people were quite as interested towards the end of the year and less number of people were coming to the press conferences, I quite frankly thought you were bored. That's why we are reducing the number but I can assure you I would respond to popular demand to have increased numbers of press conferences if there is a pressing need expressed by all of you that you would like to see me more often and you are very interested, I will do it more often. I was not trying to add this additional burden to your labours, of reporting Parliament, reporting everything.

KEN POLE ( Ottawa Journal) Mr. Prime Minister, I am given to understand that the Cossette-Trudels have finally tired of waiting for some kind of political amnesty to be extended and they have indicated a willingness to stand trial in Quebec. Would your government stand still for a trial in Quebec of the Cossette-Trudels?

A. Well, that's always the position we have taken that anyone who came back to Canada would have to stand trial and under our constitution and our criminal law the trial would be conducted by the provincial attorney general of whatever province the crime was committed in.

Q. So there is no role for Federal prosecutors then?

A. I can't think of any offhand.

Thank you.

TEXTE DE L'ALLOCATION DU PREMIER MINISTRE A LA PRESSE SUITE A LA CEREMONIE D'ASSERMENTATION, RESIDENCE DU GOUVERNEUR GENERAL, LE 24 NOVEMBRE, 1978

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PRIME MINISTER

Well, just going briefly through the list. Then, I'll leave you with whatever Ministers you want to discuss with or interview. The key and main appointment is that of Bob Andras, named President of the Board of Economic Development Ministers. It's a new ministry. It follows, in my view, on our August decision to have a new thrust in economic development. It responds to, I believe, an important need of coordination, of initiation and of bringing together, focussing on economic development plans, which are represented as you know in the Cabinet by several Ministers -- Mr. Horner, IT&C, Mr. Lessard, DREE, Mr. O'Connell, Minister of Labour. There will be a whole group of economic Ministers, senior Ministers, will be forming a special board. I think, you can keep in mind the idea of the Treasury Board which is well known, which is a group of senior Ministers dealing with control of the purse. In this case, it will be a group of senior Ministers under Mr. Andras' chairmanship with a very small secretariat, whose purpose will be to focus and coordinate our economic policies. There has been a good chunk of money set aside last summer in our expenditure exercise for economic development. Of course, some of it goes to IT&C and some of it goes to DREE and some of it goes to Manpower and Employment and so on and we want to make sure that all this is brought together and coordinated. And before it is presented to Cabinet that it presents the unanimous view of these economic Ministers. Ex officio, of course, the President of the Treasury Board and the Minister of Finance will sit on it to make sure that we remain within the expenditure guidelines and the fiscal framework -- but, they will be ex officio Ministers. It is perhaps important to keep in mind a distinction which isn't completely correct but which gives us an idea of the distinction. Mr. Andras' board will be dealing, I suppose, more essentially with the



micro-economic problems, assigning priorities to expenditures by the various departments of government in the area of economic development and Mr. Chrétien, of course, remains the lead economic Minister, particularly as regards the macro-economy. That's the brief outline of that new ministry. As we create a ministry, we will be dissolving another, the ministry of housing and urban affairs. That is still presided over by Mr. Ouellet, but he will be entrusted with winding up this ministry, which has, you know, been in existence for seven years and which we think has fulfilled its function of coordinating federal government policies in its thrust towards the municipalities and urban affairs.

M. Ouellet devient en même temps le ministre des Travaux publics et garde la responsabilité pour la Commission de la capitale nationale. Egalement il restera le ministre par qui la Société Centrale d'hypothèques et de logement répondra au Parlement puisque le ministère des Affaires urbaines disparaît mais la Centrale d'hypothèques restera dans ses fonctions traditionnelles.

Mr. Gillespie, who had to go to Newfoundland to sign a very important agreement that you will be hearing about later and will be back later today to swear in as Minister of State for Science and Technology. Of course, he remains Minister of Energy, Mines and Resources. Science and Technology, you will recall, had been with Mr. Buchanan who did an excellent job and who has the confidence of that particular constituency, but being in Treasury Board and having to be completely impartial between all groups, I thought it appropriate to take Science and Technology and give it to another Minister, like Mr. Gillespie who does have a large scientific establishment. Mr. Martin O'Connell has been brought back into the Cabinet, where he had served well previously until his election defeat in 1972. And he has <sup>been</sup> extremely active in the Caucus and very loyal to the party and he is coming into the Department of Labour, a department that he knows well, to which he brings not only his skills as negotiator and conciliator but the



great expertise he has and the whole industrial thrust  
development culminating in the sector <sup>of</sup> studies which, as you know, have  
been put together by Labour and management, government,  
federal and provincial.

M. Marc Lalonde devient ministre de la Justice. Il conti-  
nuera évidemment le travail constitutionnel qu'il avait  
entrepris, si je peux dire sous ma direction, puisqu'il  
était ministre des Affaires interprovinciales ayant  
fonction de s'occuper de toutes les questions de relations  
fédérales-provinciales. Mais comme la Constitution a toujours  
été le bébé principal du ministère de la Justice,  
évidemment M. Lalonde continuera de faire ce travail de  
là et en même temps il assumera les fonctions traditionnelles  
du ministre de la Justice. J'ai grande confiance qu'il  
sera dans la tradition des bons et grands ministres de  
la Justice que nous avons eus depuis plusieurs années.

Judd Buchanan, I have just explained, will be moving to the Treasury Board. I have been impressed by his sense of economy and his ability to make sure that we didn't spend more than we had to in every instance. He will carry out, continue to carry out, the difficult job initiated by Bob Andras last summer, being the continuation of efforts of the past several years, but becoming increasingly difficult as the amount of fat remaining becomes non-existent. Mr. Abbott is taking an additional portfolio, in addition to the Ministry of State for Small Businesses, he will become Minister of National Revenue. This is another doubling up of portfolios. It will mean considerably more work for him, but I thought the two ministries went well together since effectively many of the things that Mr. Abbott has done in small businesses, thrusts that he has followed to increase their contribution to the Canadian economy are done through the Department of Revenue various in tax and fiscal measures. So that seemed a natural doubling up. You will notice that there are several ministries which are doubled up. We'll have a slightly smaller Cabinet. This doesn't mean that we will always remain smaller. It's not impossible at some point in the spring that I'll want to bring in other Ministers to undouble some of these portfolios. I'm very glad to bring John Reid into the Cabinet as Minister of State for Federal-Provincial Relations. He will carry on the difficult work that Marc Lalonde had been doing in that area. Difficult because it is a new ministry. It doesn't have a department of its own. It operates through a section of the Privy Council Office. Essentially, it means being a spokesman for Canada, for the kind of Canada in the kind of federation in which we, as a government, believe. I know, that John is one of the senior members of the House of Commons now, along with myself and a couple of others, and with his great experience in the House and on the public platform, will be a strong spokesman. He is bilingual but, I want him to make a particular effort in English speaking Canada to be the

Minister who will explain our conception of federal-provincial relations and the kind of strong federation we want in Canada.

Enfin, M. Pierre De Bané, député de Matane, devient ministre des Approvisionnement et des Services. C'est un député qui est bien connu pour son indépendance d'esprit, la vigueur de ses communications, la vigueur de sa pensée et de ses convictions. Je ne suis pas sans penser qu'il me créera quelques problèmes au Conseil des ministres par justement son indépendance d'esprit mais j'aime mieux un ministre qui me crée des problèmes et qui est un très bon ministre qu'un ministre qui ne crée de problèmes à personne et qui ne fout rien. Je n'en ai plus d'ailleurs au Conseil des ministres. Pierre est en plus un collaborateur de la première heure et j'ai grande confiance en ses habilités et je suis très fier de le voir parmi nous et recevant l'occasion de prouver ses compétences dans un domaine important, celui d'administrer un des plus gros budgets d'achat au Canada.

Alors voilà à peu près ce que j'avais à dire.

Q: (inaudible)

R: Bon, alors ce Conseil des ministres du développement économique est une création nouvelle, un ministère nouveau qui est contrebalancé, je l'ai dit, par la suppression d'un autre ministère, alors le nombre n'augmente pas. Mais sa fonction, en étant essentiellement une de concentration et de coordination, donne très fort dans le domaine du développement économique. Comme vous le savez il y a plusieurs ministères qui s'occupent de cet aspect de la question: le ministère de l'Industrie et du Commerce, le ministère de l'Expansion économique régionale, le ministère de la Main d'oeuvre et de l'Immigration et tous ces ministères seront réunis sous la présidence de M. Andras qui est un ministre dont la compétence est reconnue et dont l'habilité de faire travailler ensemble ses collègues a été prouvée particulièrement dans les mois les plus récents. Alors j'estime que cette création qui est d'une nature nouvelle apportera une vigueur nouvelle et une concentration plus grande dans notre effort de développement économique suite aux décisions que nous avons annoncées au mois d'août. Alors peut-être, two

Q. (inaudible) [G. Radwanski asking about a possible spring shuffle.]

PRIME MINISTER

I'm really not announcing a shuffle in the spring and if I conveyed that intention, I'm sorry, because I wouldn't want you to start speculating on it now. I'm just indicating that the Cabinet is slightly smaller than it was and that is obtained by doubling up on some portfolios. I think we've got a good sized efficient Cabinet now but, I don't exclude the possibility of another shuffle in the spring. I know some Ministers are not going to be running again and its possible that there will be a need to shuffle in the spring but I'm certainly not announcing another shuffle and I wouldn't want you to hold your breath.

Q. (inaudible) [Supplementary by G. Radwanski on possible spring shuffle] Well, I'm sorry but I've learned oh, now for almost eleven years, that I never answer the expectations of the media when it comes to Cabinet shuffles. And I don't make shuffles for that purpose . I used to, in the early years, be concerned a little bit with what, how good it would look, but I found that in the eyes of any fair critic it could always have been done differently and therefore, I'm sorry, but you can keep your expectations and I'll keep my plan of action.

Q: (inaudible)

R: Eh bien, c'est une question importante et il faudrait dire que d'abord chaque membre de ce nouveau Conseil gardera entière autorité sur son ministère de la même façon que ceux qui siègent au Conseil du trésor restent des ministres autonomes dans leur ministère, mais pour la fin de la coordination des dépenses, les membres du Conseil du trésor doivent faire des opérations spéciales sous la direction du président du Conseil du trésor dont on connaît l'autorité. Eh bien le même parallèle existe dans l'ordre de développement économique. Un ministère a un budget, a des fonctionnaires. Il continuera de préparer des mémoires; disons pour M. Gillespie est en train aujourd'hui même de signer une entente relativement au développement du fleuve Churchill; ça continue de rester son travail. Mais dans l'allocation des fonds pour ce genre d'ouvrage, il devra s'assurer que ses décisions, avant de venir au Conseil des ministres pour être autorisées, sont intégrées et coordonnées avec celles par exemple du ministère de l'Expansion économique régionale ou le ministère de la Main-d'oeuvre. Lesquels ont tous les deux beaucoup d'intérêt à ce qui se passe au Labrador. Alors ce sera un Conseil des ministres qui vérifiera toutes ces décisions-là avant de les remettre au Cabinet. De la même façon que le Conseil du trésor vérifie toutes les décisions de dépenses avant de les remettre au Conseil des ministres. Alors chaque ministre reste autonome. Je le répète, M. Chrétien reste le ministre des Finances, c'est-à-dire celui qui a l'autorité supérieure sur toute l'organisation de l'économie, la macro-économie, et qui devra évidemment, en siégeant ex officio sur ce Conseil, apporter son aval à toutes les décisions mais la coordination entre le ministre de l'Energie et le ministre de l'Expansion économique régionale,



M. Lessard, le ministre de la Main-d'oeuvre, etc se fera à ce Conseil-là. Il y avait une autre alternative, cela aurait été de continuer le système actuel et les réunions de fonctionnaires des différents ministères, interdepartmental meetings of officials. Mais justement, nous avons décidé de donner priorité aux décisions politiques. Plutôt que de faire la coordination essentiellement au niveau des fonctionnaires, nous voulons qu'elle se fasse au niveau des ministres.

Perhaps I can say that in English because it is an important point, the alternative to this new ministry could have been a greater emphasis given to inter-departmental committees or again, more time spent in full Cabinet thrashing out the sometimes conflicting aims of different departments as regards expenditure. So instead of giving more power to the officials, or taking more time in full Cabinet, I've created this board which will be doing that work. I think it will mean a greater emphasis on the political decision making in this coordinating process.

Q. (Robert Lewis) What will happen, Sir, to the inter-departmental committee on economic development? To the Cabinet committee on economic development?

PRIME MINISTER

Cabinet committee on economic policy continues to exist with its same functions, and the Cabinet Committee on government operations continues to exist. In reality, this new committee will be taking some items from both of these. When it is strictly economic policy, it will remain where it is. When it is operations but not calling for this kind of coordination in the area of economic development/<sup>it</sup> will stay in government operations, but items which , once again, involve this thrashing out either in full Cabinet or at the official level of conflicting interests of the different Ministers, it will be thrashed out under Mr. Andras' chairmanship.



Q. (inaudible)

[Supplementary by R. Lewis on appointment  
of Mr. Osbaldeston.]

PRIME MINISTER

Well, we will be announcing that very shortly. Mr. Osbaldeston will become the Secretary of the new ministry. He will be moving to Mr. Andras, and Mr. Horner will be assisting me in choosing a new Deputy-Minister.

Thank you Ladies and Gentlemen.

Catherine Bergman:

La grande préoccupation des Premiers ministres à cette conférence, était celle de l'augmentation du prix du pétrole. C'est également la seule dont il n'y a pas été question à aucun moment sur le plancher de la conférence. Est-ce qu'on doit en conclure que cette conférence, que les conférences fédérales-provinciales, c'est pour la galerie et que les vrais problèmes, ils se traitent dans les coulisses?

R. Non, je ne pense pas que l'on puisse en tirer cette conclusion-là, parce que depuis trois jours, personne ne pourrait dire qu'on ne discute pas des vrais problèmes. Il y a le problème du prix du pétrole qui a été, comme vous dites, discuté à huis clos au moment du déjeuner et à la réunion d'hier. Nous avions l'espoir, puisque les provinces étaient violemment opposées les unes aux autres dans ce domaine-là, que peut-être entre nous, sans les caméras, elles pourraient se rapprocher les unes des autres. Je le répète, qu'entre nous, nous n'avions rien à cacher. Il n'y avait pas d'intérêt fédéral là-dedans. Il s'agit de réconcilier l'Alberta et la Saskatchewan d'une part, avec les huit autres provinces d'autre part. Autrement dit, il s'agissait de réconcilier l'intérêt des provinces productrices avec l'intérêt des provinces consommatrices. Et elles avaient l'espoir, que je partageais, qu'en nous réunissant en dehors de la vue ou de l'atteinte des caméras, elles pourraient se rapprocher un peu, mais elles n'ont pas réussi à le faire. Alors nous devons continuer comme par le passé, à agir au niveau fédéral, d'une façon qui n'aura pas l'appui de tout le monde, puisque toutes les provinces sont divisées les unes avec les autres.

Gazette:  
CLAUDE HENAULT, Mr. Prime Minister, you said you had two basic options facing you: one is to accept that some provinces disagree and therefore you will have to not impose that temporary price pause or else you have the other option of going ahead with the pause even though some provinces object to it. Now, there is something unclear to me about this: in the past escalations of the oil prices, the Federal Government even though provinces disagreed, went ahead. Why is there some hesitation at the present time to continue with the stated Federal policy of following the world price? Why does the second option exist?

A. The second option of renewing the agreement for a very simple reason is that an increase of one dollar in oil prices in January will have an effect on a yearly basis of a tax of some 800, \$850 million on the Canadian economy. And that is a tax or a burden coming at a time when we think that the Canadian economy is rather delicately balanced and hopefully balanced towards renewed growth. Have I misunderstood your question?

Q. Perhaps I stated it upside down. What I was trying to say is: in the past when we decided that it had to go up or it had to go down, when the Federal Government decided that it consulted with Alberta and even though in the last case three provinces dissented the Federal Government went ahead with its deal with Alberta. Now, you have attempted to strike a new deal with Alberta which would permit this freeze. There is nothing legally that stops you from going ahead with it. You have in the past gone ahead without unanimous consent of all the provinces. Why can you not now commit yourself to doing the same thing seeing as that is what you desire to do?

A. Well because, as you point out, in the past we failed to reach unanimity between the ten provinces does not mean that we will not try again and again to try and reach some consensus between the provinces. Each time there has been a renewal of agreements, I have got the Premiers together and I have tried to strike an agreement. You will recall the first one we reached, I believe in the early months of '74 was one which did have

consensus of everybody. We did reach a price which to everyone seemed fair and we had to pay for it a little bit by guaranteeing certain provinces that we would do this and that for them but we reached an agreement and this time again we had hoped to reach an agreement. While I talk of an agreement I am talking of an agreement to replace the present agreement. Now that we see that we cannot get the ten provinces to agree amongst themselves, we can either stand with the present agreement which would have, as I was saying some rather adverse economic effects on employment and on economic growth or we can now that we have failed to find unanimity amongst the provinces we can now decide whether or not we will talk just bilaterally with Alberta and Saskatchewan and this is the subject I will report to Cabinet this morning and there are arguments for one and the other and you know them and the Premiers have made them. If we want to replace this present agreement by another one, Alberta and Saskatchewan are going to say, well, fine, but it is going to cost you something. And, we will have to assess for ourselves whether this is a cost that we should pay or that the Canadian people should pay. So we will obviously in the end have to make up our minds and we will do it as we have in most of the past occasions, all as I say except the first one. We will have to take our own responsibility and we are not shirking that. It is the role of the Federal Government to try and speak for all Canadians and try and reconcile the conflicting interests of the various provinces. But, we would have preferred once again some kind of a consensus to emerge which would have been acceptable to everyone. Failing that we have a decision to take and I repeat I will report to Cabinet tomorrow and see what the next step is.

Paul Racine: Monsieur le Premier ministre, au cours de la conférence, il y a plusieurs provinces qui ont souligné le fait qu'en coupant dans ses dépenses, le gouvernement fédéral avait réduit leur marge de manoeuvre. Il y a plusieurs provinces qui ont souligné le fait, et je pense que la province qui a souligné le fait davantage, c'est le Québec qui a présenté un bilan de griefs au montant de 727 millions, je pense, au gouvernement fédéral. Evidemment, le document que M. Chrétien a publié tout à l'heure semble rejeter la plupart de ces réclamations-là. Est-ce que vous croyez que ces demandes répétées du Québec, c'est<sup>dû</sup> uniquement à l'option politique du gouvernement qui est en place, ou est-ce qu'il y a une certaine justification dans le fait que lorsque le gouvernement fédéral réduit ses dépenses, automatiquement il réduit de beaucoup la marge de manoeuvre fiscale des gouvernements pour, dans leur secteur du pays, relancer l'économie.

R. Eh bien, lorsque nous réduisons nos dépenses, cela ne veut pas dire que nous dépensons moins. Cela veut dire que le rythme de croissance n'est pas aussi rapide que prévu. Et en fait, c'est ce qui est arrivé avec nos réductions de dépenses du mois d'août. Nous avons réduit le rythme de croissance de nos dépenses, mais cela ne veut pas dire que nous allons dépenser moins dans le Québec ou dans l'Ontario ou dans le reste du pays. Nous continuons d'avoir un déficit budgétaire et para-budgétaire de l'ordre de 10 milliards de dollars. Alors nous continuons de dépenser beaucoup. Ce que le Québec dit, au fond, c'est qu'en ne dépensant pas davantage, comme on avait espéré que vous le fassiez, vous ne créerez pas, je pense qu'ils ont dit, quelque chose comme 17 ou 18 mille emplois auxquels nous étions en droit de nous attendre. Soit, on peut leur dire la même chose: si vous dépensiez davantage, vous, la province du Québec, vous créeriez plus d'emplois. Pourquoi est-ce que vous ne dépensez pas davantage, puisqu'il y a du chômage chez vous? Ils vont dire, on n'a pas tellement d'argent, et c'est ce que nous disons. Nous avons déjà un déficit budgétaire de l'ordre de 10 milliards de dollars. On ne peut pas continuer de dépenser sans limite.



Mais encore une fois, il ne s'agit pas d'emplois perdus. Il s'agit d'emplois, disent-ils, qui ne se seront pas créés, alors qu'ils pensaient qu'ils le seraient. Et qu'est-ce que nous répondons en retour? Eh bien, contre vos 17 milles emplois qui ne seront pas créés, nous avons cette année-même, par notre politique de Canada au travail et par notre stratégie d'emploi, nous avons créé 16,500 emplois. C'est à dire que nous avons déjà cette année créé un nombre d'emplois égal à celui qu'ils espéraient qui serait créé. Pour l'année prochaine, c'est le double. Les dépenses de 710 millions de dollars pour la stratégie de la création d'emplois pour l'année qui va commencer bientôt, donnera au Québec 35,000 emplois nouveaux. Alors,

ils auront trois fois plus<sup>d'</sup>emplois que ceux dont ils se plaignent qu'ils n'auront pas reçus à la suite de nos coupures. Et nous leur disons en retour, eh bien, vous, vous<sup>ne</sup> nous avez jamais parlé, vous province de Québec, des emplois que vous allez créer par votre stratégie d'emploi. Et remarquez bien cela, ils n'ont pas donné un seul chiffre. Peut-être créeront-ils quelques emplois à gauche et à droite, je ne sais pas, mais cela ne doit pas être considérable, parce que jamais, et on leur a demandé des chiffres, jamais ils nous ont dit, eh bien, nous aussi nous avons une stratégie de création d'emplois et voici le nombre d'emplois que cela va donner. Nous avons mis les sommes précises, 710 millions de dollars pour l'ensemble du pays, et 200 millions, j'oublie exactement, pour le Québec, et cela veut dire 35,000 emplois pour l'an prochain. Voilà le problème.



KEN COLBY, CBC;

Prime Minister I was struck by one line in your answer to the first question in French. It may have been an unfortunate interpretation I don't know. When you said there is no federal interest in establishing an oil price, that Ottawa's role was, if you will, the job of honest broker between the producing and consuming provinces trying to help them reach a consensus. In talking about the oil price increase with Premier Davis he says Ontario's position is very clear. There should not be an oil price increase. It is not a question of whether or not you have negotiated a reasonable deal, any deal that involves any increase is not acceptable to Ontario and it is your responsibility not his. Now, what are we seeing here? Are we seeing a juggling for positions here to see who can assign the blame to who if the price does go up? Or, is there some sort of abdication here of responsibilities?

A. Well, you can answer that question yourself. I will simply recite what has been happening since the OPEC crisis in '73 since world prices have been going up very, very rapidly. When I say the Federal Government has no interest, I mean that it is not the Federal Government which is a consumer or a producer. Our interest is to make sure that the results will be fair for as many Canadians as possible and that they will be conducive to not only economic growth now but sufficient amount of exploration and development that there will be more and more oil and gas found in Canada. So, this is our interest obviously. And, as I was saying, I forget in what language earlier, we have always ended up by deciding what should be done. But, for Premier Davis, he is speaking as the Premier of a consuming provinces which does not produce oil or gas and his interest is clear is that there should be no increase in the price of Alberta oil and gas. Now, you move over and you talk to Premier Lougheed and as Premier of that province his interest is clear is that there should be an increase. Not only because he wants more money for his province which he is elected Premier to do but also because he says if we do not get an increase in prices and if we do not tend towards world prices investors will not come in Alberta and they will not be looking for oil and gas and we are going to run

out and then all of Canada will suffer. So, you have two provinces who very honestly can say, one can say as Premier Davis no increase at all. And the other can say, as Mr. Lougheed, we absolutely need an increase to world prices. So, you know, they are both telling the truth. That is the interest of the consumers in one province and the producers in the other. The Federal Government which is the government of all Canadians has to find some accommodation between these contradictory truths. That is as we have done in the past with our oil policies and that is what we are doing now with the agreement which has another six months to run and that is what we will do if we can replace the present agreement by another one.

Q. I accepted that they both have different interests but there is a path between those interests. It is also in their interest to reach an agreement. It is in Premier Lougheed's. It is in Premier Davis'. It is in your interest to reach an agreement. Now, they have not. Now, suppose what I am asking you is has this failure to reach an agreement on oil prices been due to unrealistic intransigence on the part of the consuming provinces and does this in effect throw the ball in your court and say, okay Trudeau you be the dirty guy that raises gasoline prices?

A. Well I suppose that can be said but if it is said it should be said also that you also be the guy that gets credit for having raised the prices and for the fact that there is now more oil and gas in Alberta which has been discovered in the past two or three years because of our oil policies. Now, I mean if one is going to take the blame from the consumers in the immediate one should also take the credit for a policy which has permitted more exploration and more development and which will mean that consumers of Canada will be self-reliant over a much longer period of time. But, once again, it is no doubt your role to attribute blames and give laurels but I am just stating the dilemma of the Federal Government is faced with the producing provinces on the one hand and the consuming provinces on the

other and you know we have authority under the law to use what has been described, I think not unjustifiably as the revolver clause. If we cannot reach an agreement with Alberta what happens? Well, Alberta can take measures I suppose to keep its oil in the ground or not to sell it across its borders except at certain exorbitant prices and so on. And then we have to use the Petroleum Administration Act and force a price on them. Well, we have never done this in the past six years now almost that we are reaching agreements and I must say Alberta has never forced us to do it. They have accepted prices which were substantially, and now less substantially, but notably below world prices and we have worked out an agreement with them and with Saskatchewan and the consumer of Canada has been ever since the OPEC crisis still getting oil at a rate which is far inferior, which has been far inferior to world prices and how has this been done? It has been done in parts by Alberta and Saskatchewan not taking world prices, accepting an agreement that was not at world price level and also by the Federal Government out of its own treasury giving several billions of dollars to the five eastern most provinces to compensate them for the higher prices of imported oil.

C'est encore une chose qu'il faut rappeler à la province de Québec: c'est qu'on peut nous faire la liste des sommes qu'on ne dépense pas dans la province au titre de l'énergie, mais on oublie de parler du petit 3½ milliard qu'ils ont reçu du trésor fédéral depuis 1974 pour contenir le prix du pétrole aux consommateurs, qui aurait été beaucoup plus élevé que dans les provinces de l'ouest, si nous<sup>n'</sup>avions pas payé ce 3½ milliards. Et c'est trois milliards et demi venant du fédéral. En plus de cela, il faudrait dire qu'ils ont reçu un cadeau de l'Alberta et de la Saskatchewan pour un montant sans doute un peu moindre, mais équivalent à la différence entre le prix mondial que l'Alberta et la Saskatchewan n'ont pas eu et le prix auquel ils ont vendu.

Michel Guénard:                    Monsieur le Premier ministre, depuis trois jours, on vous a parlé beaucoup de décentralisation des programmes fédéraux, que cela soit la main-d'oeuvre, l'agriculture, les pêcheries, l'expansion industrielle, etc.

Est-ce que vous croyez qu'il y a place actuellement pour une plus grande décentralisation industrielle au Canada, compte tenu évidemment, de la nécessité que vous invoquez souvent de laisser certains leviers économiques au pouvoir central?

R.                    Eh bien, la décentralisation industrielle existe. Les provinces sont tout à fait libres sur leur territoire d'y établir les industries qu'elles veulent, d'exploiter les ressources naturelles de la façon qu'elles l'entendent, d'établir la stratégie industrielle qu'elles visent, dans le domaine des pâtes et papier, dans le domaine des mines, et cetera. Simplement, elles disent, eh bien, vous avez des pouvoirs en ce qui regarde par exemple, la redistribution des richesses, le ministère de l'expansion économique régionale.

Nous vous demandons d'utiliser ces pouvoirs pour nous en donner davantage, de l'argent. Vous avez des pouvoirs dans le domaine tarifaire qui protègent énormément historiquement depuis 110 ans les économies du Québec et de l'Ontario. Nous voudrions que vous continuiez de nous protéger avec vos pouvoirs tarifaires. C'est vous qui avez juridiction dans le domaine international, c'est-à-dire, pour la vente des produits à l'étranger, le commerce international; nous voulons que vous fassiez cela de telle et telle manière.

Alors, encore une fois, les stratégies industrielles sont là. Les provinces peuvent développer comme elles l'entendent. Simplement, si elles veulent notre apport, si elles veulent notre appui, nous devons, dans des conférences comme celle-ci, nous rencontrer, discuter de priorités et nous entendre. Je pense qu'on peut dire qu'après trois jours de conférences, il y a eu de larges mesures d'entente dans tous ces domaines-là, qu'il s'agisse de pêcheries, d'expansion économique régionale ou de politique pétrolière sauf pour les prix, tous les domaines qui ont été abordés depuis trois jours. Une large mesure d'entente, encore une fois, sauf dans le cas de la province de Québec, qui disait à peu près toujours la même rengaine: eh bien, vous ne nous en donnez pas davantage, vous ne nous <sup>en</sup> donnez pas assez. C'est toujours la faute des autres si cela va mal au Québec.



JOHN HAY, CITIZEN: Another shot at oil prices if I may: your government has a strong interest in making your economic policies work over the next year and you and your ministers have made the economic argument for deferral of the oil price increase. Have any of the arguments that you have heard in the last three days outweighed in your own mind your own economic arguments?

A. In my mind once again assuming that we cannot break an agreement which lasts until the end of June without giving something in return in my mind I would have to say that there is a pretty balanced option. I would think not be indiscreet in saying that the Minister of Finance would much prefer deferral because we are now at a stage in our economic development once again with a danger of renewed inflation with the fact that wage settlements have been below the increase in the cost of living and that there could be a danger of an explosion in wage demand and in costs and therefore in prices unless we can contain inflation and that is why we had these budgetary measures a couple of weeks ago, notably the cutting of the federal sales tax and in that sense as I was saying earlier a non increase in the price of energy in January would be good for us at this time. I am making the argument that Mr. Chretien made that I am sure Mr. Gillespie would support. I am making the arguments that were made by some of us at the First Ministers Conference.

Q. Is there anybody in your Cabinet that would make a counter argument?

A. Well, I would not want to identify any particular minister. But, in terms of having a choice of re-negotiating an agreement or re-interpreting an agreement there are some in my Cabinet who say, look, even the present agreement could prevent an increase in price because it depends at what rate you calculate, what exchange rate you calculate the Chicago price and the Canadian price. As you know the increase only happens when there is so-called head room of a dollar. And, I am sure you have heard some ministers argue, even I have heard it from some Premiers, that this head room does not exist now if you count the dollar at, say, 90 cents which was the average which existed when the agreement was made and so on. So, there are



some who will argue that but in order for me to accept that argument I would have to obviously act in confrontation with the two producing provinces, Alberta and Saskatchewan. And, that is a choice that I do not like to make. But, there is an argument for just saying we are interpreting the agreement this way and we are preventing an increase in the price. But, I repeat, I am not saying we are going to do that. I said we were going to report to Cabinet tomorrow and see what further steps have to be taken.

J. SIMPSON, GLOBE & MAIL: Prime Minister, in an earlier answer, you were talking about the delicate nature of the Canadian economy in an answer to John Hay's question, you were talking about the dangers of inflation explosion, wage demands and so on, I think it is fair to say you think the precarious nature of the Canadian economy is a justification for this. A number of Canadians I think would say since the original oil price agreement that the economy has been in various states of precarious positions and they would wonder whether in fact the proposal you were making which coincides with the probable pre-election period is not a political matter in the sense that you have been pressed in the past to freeze the price of oil and you have always refused even though the economy was in an equally delicate position than it is now.

A. On the contrary I have been pressed not to increase the price of oil.

Q. If I said the reverse, I am sorry. Well, for instance, the New Democratic Party and the producing provinces have from time to time said to you, do not let the price of oil rise as in a pre-arranged way. You have resisted that in the past and now you are prepared to consider it. I am wondering why given the fact that the economy in the past seemed to be equally delicate.

A. Well, I suppose that could be a consideration to be added to the previous one. There may be those ministers in Cabinet who would say well, you know, there is no point in trying to

re-negotiate an agreement. There are the cynics who would say that it is just for electoral reasons. But, I think Cabinet would look beyond that and try and see if there is a particular reason now to negotiate out of that agreement and to find another form of agreement or to re-interpret the agreement and in that particular form is that controls are ending at the end of the year. They are ending in a legal sense the day before the other increase would come on and I think it is particularly urgent at that particular time to make sure that there is not an added impetus to the cost and price structure.

Q. May I ask a supplementary and it relates to this: the producing provinces would not have been able to do anything if in fact the increase had gone ahead on January the 1st. In fact, it still may. Similarly, with the exception of Ontario the producing provinces with whom I spoke, and I stand to be corrected because you spoke to them privately, were indicating that they would prefer to see, this was certainly Mr. Levesque's position and the Maritime Premier's position, the increase go ahead on January the 1st. Is it not more accurate rather than saying that the Federal Government has to act to balance off the interest for all Canadians, to say that it was the Federal Government which in this case really put the cat among the pigeons.

A. No. I will give you two, I think, persuasive answers to that: the first is that if there is no change in the present agreement, what happens? We have to meet sometime around March or April, all the Premiers and myself to decide what happens on the 1st of July because the four term agreement, the four semester agreement expires next term and in political terms I suppose you could argue that this is just as important for me, assuming I am going into an election then to be able to say no more increases. You know, we have seen the last of this nonsense. And, meet the Premiers and say to Lougheed and to Blakeney, no increases on the 1st of July and there will not be any in the year after either and if you do not like it, we will use the revolver clause. That is a form of confrontation which politically certainly would not be liked in the west but if as you suggest

we are interested in getting the consumers on our side, that is probably as useful a way of doing it as telling them there is going to be no increase in January but you are going to get one in July. But once again that is, you know, that is the political choices which you are raising because you are evoking a spectre of an election. The other argument is the economic one. In strict terms of the advantage of the consuming provinces and of the Federal Government it would be better that the increase go ahead in January and of course it is better for the producing provinces too. Now, how can that be that it is in everybody's advantage as governments that the increases go ahead and yet we are wondering if we could not stop them. The reason is very simple: it is a distinction between the governments and the people and this is not an imaginary argument. It was made by several Premiers I think certainly privately but I think they made it public, yes, they did make it publicly yesterday at the discussion. The province to my left said yesterday when we were discussing economy, and what's more you are threatening to stop the oil increase on the 1st of January which is going to cost my province some \$40 million in terms of equalization payments. And, Mr. Chretien answered very simply, yes, you as the government, you are not going to receive \$40 million but your people would receive some \$400 million. Now this is true of Newfoundland. This is true of all the provinces which are in the five eastern ones and who receive equalization. I am not sure if it true of Manitoba. But, you know, by strict count and I have the figures, if we do not increase on the 1st of January the provinces lose \$64 million on a yearly basis. But the consumers of Canada are ahead by some \$825 million. So you can have a very paradoxical situation where the provinces want to gain some \$62 million by telling us, don't stop the increase even if it is costing their people \$400 million and Mr. Davis is not in this position because he does not receive any equalization. So, you know, that may be one of the reasons why he says you stop the increase. But the provinces who would by stopping the increase lose some \$40 million to the Treasurer

of the Government are telling us, don't stop the increase. We want you to go ahead because we need that \$40 million even if it means that consumers of Quebec are going to have to pay the \$400 million. The province says we need that \$40 million even if it means that our consumers are going to pay \$400 million for it. The mysteries of politics.

GEORGE RADWANSKI, Fin. Post: Prime Minister, we may be a little hampered in this by the fact that we have not had an opportunity to see the final communique yet but apart from having had an opportunity to exchange views to keep the channels of communication open on economic matters and provide a kind of progress report on what has been done since the February Conference, do you see any areas in which the meeting of the last three days has actually gone beyond what was decided last February or any concrete ways in which it has brought us closer to improved growth in the medium term?

A. I think the Conference has been especially useful to indicate first that the goals and objectives we looked for last February were, not only the right ones but that they have been sought after and pursued by all the Provincial Governments and the Federal Government. And, I think it was important to get together and say, we were on the right course in February when we said we have got to keep costs in line. We have got to make sure governments don't grow too fast. We have got to make sure that in the area of inflation we keep it under control by doing such and so in terms of compensation and so on. So, the Conference was important as, I guess, a place where one could make a progress report and say we were on the right course. And, indeed, when you see the communique, you will see much is made of that, a re-affirmation of, I can say, our wisdom in February in looking at structural change, the so-called horizontal policies, environmental policies, the policies which condition the creation of jobs by the private sector. So, to that extent, the Conference was important and necessary. And, it is the assessment of the Premiers and myself, and once again I made sure that I have the support at least of nine of them at lunch when they authorized me to say that we all thought that the progress

made here in specific areas under the agenda was also worthwhile. I mean, on fisheries, on DREF, on energy policies, once again, save pricing, on what was said on the first day on labour policies. We felt that we had taken steps in the right direction and that there was a measure of agreement between provinces to push further in the next month along the same paths as we had done in the past months.

DAVID HALTON, CBC : Prime Minister, on the basis of this Conference would you favour going back to a closed Federal/Provincial First Ministers Meeting, after a Conference that after all saw quite a lot of windy rhetoric and a fair amount of posturing to the cameras.

A. Well, to be honest, I find these conferences fatiguing for a very physiological reason, these lights after three days I find absolutely blinding and tiresome. But apart from that, I do not think I would agree with you that there was a great amount of posturing. I would certainly make exception for one delegation on that. But, I would say that the other provinces and ourselves went through a lot of tedious reports and statement of positions which were not only tedious for me to preside over but I suppose for you, the media, to report on. But, they were all very important. Maybe progress is tedium and maybe reporting progress is not sensational but I do not agree that there was a great deal of posturing. I think it was important when we discussed subjects and even when there was difference between maybe Ontario or Alberta or Newfoundland, and Canada, I think this would have happened in the same way in private, perhaps with less speeches. It could have been shorter. But, I do not think that the orientation of the Conference would have been basically different and that we would have reached, I will even say marginally different conclusions. I think the conclusions would have been the same. We might have got through it a bit more quickly and with less blinding lights in our eyes but if that is important for the people of Canada to see how we operate I am happy.



Q. But you have made, sir, strong arguments in the past in favour of dispensing with formal reports. Have you changed your mind?

A. Formal reports.

Q. Formal positions.

A. Do you mean in public?

Q. Yes.

A. Well, what I have said in the past and I think would be true for the future is that when you have to negotiate a very specific point on which there is a wide measure of disagreement between the provinces and the Federal Government such as pricing of oil or negotiation of a precise text on maybe a constitutional amendment or something, then I think it is much easier to do it as we sometimes do just between ourselves as First Minister either over a meal or at a closed conference. It is marginally better maybe. Although as I was saying earlier I cannot report that in the many, many times where I have decided to try and get the provinces to agree on an oil pricing policy it was helped by the fact that we were in private but maybe there was less

windy speeches on why it was not important to increase the prices and so on. I mean, it is true that some Premiers would say well, look, I don't have to make a speech on this. You know my view. I think it would be a terrible thing if you increased the price of oil. And, the other would say well, you know my view. I think it would be terrible if we did not. And you know that took a minute and a half rather than perhaps ten or fifteen minute speeches. So I think I reach the same conclusion. The open conferences are much longer and perhaps more tedious but basically the conclusions must be approximately the same.



Released at: 9 30

CRAIG OLIVER (CTV):

I wonder if you can tell us, in making the decision to remain, even though the polls are against you and many people are saying you can't win this election / what were the factors you used in arriving at that decision to remain?

A: Well I have been elected by the people and it would be normal to say that it will be the people / decide if I am not to remain but I have no feeling that they will so decide. Insofar as the predictions of those who say that I am going to be defeated, well I just have to remind myself that they said that in '74 and they said that in '72 and the people decided otherwise, so I am not only deciding to remain, but I am deciding to remain with confidence.

Q: Well one supplementary on that. Are there any factors which might lead you to resign before an election?

A: You mean skeletons in my closet or things like that?

Q: Well, personal matters? I mean none of us wants to stay in the same job forever.

A: Well this I can understand of you. No. Quite frankly on that, I have said before I think the country has some very real problems and I think that the solutions I am proposing to those problems are better than the alternatives and I am not talking of people. I am talking of solutions. A lot of people criticize my approach to national unity and they say they don't like the Official Languages Act or they don't like my views on federalism. But they will also have to ask themselves when the election comes around, well do we prefer Mr. Clark's or Mr. Broadbent's views on bilingualism or federalism or decentralization and then they will have to find out what they are for one thing. And it's / this kind of idea that, yes, I don't want to stay in politics forever but I am concerned about the future of the economy, the future of the constitution, the future of the country and for the same reason that one gets into politics I suppose one stays in politics. It is the old Plato aphorism that I quoted some eleven years ago. The reason you get into politics is because you don't want to be governed by people who are less good than yourself.

CATHERINE BERGMAN: Monsieur le Premier Ministre, est-ce que vous pourriez (Radio Canada)

nous donner un compte-rendu de votre entretien avec le  
Président Giscard à propos des relations de la France avec le Québec?

Est-ce qu'il est vrai que cette conversation a été coupée court? De plus, est-ce que vous pourriez me donner une idée de sur quelle base M. Barre viendra en février?

R. Eh! bien, sur la première des trois questions, je ne peux que vous dire la consigne que l'on m'a donnée à moi, laquelle, je pense, est respectée par tous ceux qui ont des entretiens privés avec le Président de la République. Ce n'est pas la même consigne que lorsqu'on voit le Président des Etats-Unis, le Premier Ministre de la Grande Bretagne. Mais, dans le cas d'une rencontre intime avec le Président de la République française, apparemment, la consigne est que l'on en dit le moins possible. Alors, c'est dans cet esprit-là que j'en ai dit le moins possible en sortant de l'Elysée.

Bien sûr,  
vous le saviez quand je suis allé en France comme en Angleterre, c'était pour parler en gros des sommets qui ont eu lieu à Bonn, et de celui qui s'en vient à Tokyo. On devait parler de toutes les questions qui étaient à l'ordre du jour, c'est-à-dire l'économique, c'est-à-dire aussi la piraterie aérienne, c'est-à-dire aussi le rapport, le dialogue nord-sud. On a parlé de ces sujets. Je ne peux vraiment pas en dire beaucoup plus sans aller dans des détails. Vous connaissez mes vues là-dessus, e que je pense de la piraterie aérienne. Ce que je pense de l'économie et des problèmes mondiaux posés par l'écart entre le nord et le sud. Mais, je ne peux pas vous dire ce que le Président m'a dit sur ces choses.

Pour ce qui est du Canada et du Québec, et de la France, vous connaissez mes vues aussi. Quant à celles

du Président de la République, vous les connaissez. Alors, qu'est-ce que vous voulez que je vous dise de plus.

Maintenant, vous me demandez aussi, et  
cela a  
c'est la deuxième question, si/ tourné court. Ma réponse, vraiment, du plus profond de mon coeur, ce serait de vous dire non. Cela fini <sup>cela</sup> comme/ avait commencé dans une très grande cordialité, avec beaucoup de décontraction et d'amabilité. Il n'y a pas eu la moindre difficulté sur le plan des échanges. L'accord ne s'est pas fait parfaitement sur tout

le diagnostic économique. Mais, il n'y a aucune raison de supposer, ni de près ni de loin, qu'il y a eu le moindre accrochage ou tension.

Pour ce qui est de la troisième question, la visite de M. Barre. Je ne sais pas si on a annoncé les détails, mais j'ai en tête quelque chose autour du 7, ou du 8 février. Je ne me souviens pas des dates exactement. Mais, le programme a été établi, d'accord entre la France et le Canada, et le programme, s'il n'est pas connu, le sera dès que je serai au bureau. Peut-être qu'il y a une formalité qu'il faille l'annoncer à Paris et à Ottawa en même temps. Mais, on en a à peine discuté, simplement pour confirmer que les échanges par correspondance que j'avais eus avec le Président, et ensuite avec M. Barre lui-même, avaient été conclus, qu'on avait fait un accord qui était agréable aux deux parties.

PAUL RACINE: (R-C) Monsieur Trudeau, tous ceux qui ont regardé les sondages depuis quelques semaines, en sont arrivés à exprimer la crainte que, lors d'une élection générale, il puisse y avoir une division selon des lignes linguistiques entre le Québec et le reste du Canada. Dans votre, je ne sais pas si on peut appeler ça comme cela, mais dans votre réflexion, votre examen de conscience/<sup>qui</sup>vous a amené à prendre la décision de rester à la tête du Parti lors de la prochaine élection, quel poids avez-vous accordé à ce fait-là, ou à cette crainte-là?

R. Bien, je n'ai pas fait de réflexion très profonde à ce sujet. Mais, si vous m'invitez à y réfléchir,

je suppose qu'un autre leader libéral, s'il continue à  
ligne de  
poursuivre la même/pensée qu'on suit depuis la période de  
M. Pearson et de moi-même, il aura probablement une large  
soutien au Québec. Pour ce qui est de l'appui qu'il aura dans  
les autres provinces, je me demande vraiment si cela tient à  
la personnalité du leader, ou si c'est pas parce que pour un  
tas de raisons, il y a des anglo-canadiens dans les autres  
provinces qui pensent que les Libéraux ont été là depuis assez  
longtemps. Alors, est-ce que cela changerait s'il y avait un  
nouveau leader? Je n'ai pas beaucoup réfléchi à ce problème là.

Q. Le récent sondage du Toronto Star qui semble  
indiquer que ça / irait un peu mieux pour les Libéraux si M. Turner  
était à votre place, est-ce que cela n'indique pas que ce  
n'est pas tellement une question de politique, mais une question  
de personne?

R. On me dit que le même sondage dit également  
que M. Turner est beaucoup moins connu que moi. C'est peut-être  
la raison.

TERRY WILLIS: (Toronto Star) Mr. Prime Minister in the same vein do you think there is more racism along English/French lines in this country than there was in recent years and if so, why, and how do you counter it?

A: No I don't think there is more racism.

Q: You don't?

DAVE HUMPHREYS: (Globe & Mail ) Mr. Prime Minister going back to your visit with President Giscard, would you tell us what your impression is after that visit of the French position regarding Quebec participation in a Francophone summit meeting and generally what do you think the prospects are now for such a meeting with or without Quebec participation?

A: Well just basing myself on the evolution of events in the past year or so including the work of the Committee set up under President Senghor<sup>of</sup> Senegal, I think it is fair to say that the position of Canada is shared by, I guess, the majority of the eventual members of the Francophone countries. In essence it is that Canada will decide who participates in international meetings, in international institutions whether they be the United Nations, Unesco or whether they be a conference of heads of government of the Commonwealth of Nations or whether they be an international meeting in Paris on the north-south dialogue. Canada will decide who speaks for Canada and although some African nations at one point toyed with the other idea of suggesting that the organization itself should tell Canada who to bring along, we said well we will play those rules if you let us play them too and if we can decide who will speak for, whatever it is, the Ivory Coast, or who will speak -- but if you want to decide who will speak for the Ivory Coast we will decide who speaks for Canada. So I think that settles it with the great majority of eventual participants in the summit.

Insofar as France is concerned, they have taken a position which at least for the time being is irreconcilable with that. They have said we could, only with difficulty, see a summit and, I am paraphrasing, I guess they would say we would not see our way clear to participate in a summit from which Quebec was excluded.

Now the two positions are clearly irreconcilable and to me



this means that the possibility of a summit of French speaking nations in the sense that we have a summit of Commonwealth nations, is not very great because it could be held conceivably; but if France is not going to be there there is not much point in holding one, but positions could change and I hope they will. I don't mean mine.

DAVID HALTON: (CBC) Prime Minister I wonder if you could clarify some of the remarks you made at the recent Ontario Liberal Convention in which you appeared to imply very strongly that a Tory victory next year would mean that Quebec separation would be much more likely if not inevitable?

A: No. I think that speech has been very grossly misinterpreted and perhaps misunderstood through lack of clarity on my part. I think perhaps the paragraph or the phrases in which you might have got that impression were phrases where I was saying it is a good thing for Canada that many Quebecers came to work in Ottawa as members of parliament, as civil servants, as members of agencies and so on. And if tomorrow ~~th~~ were to go back and not work in Ottawa and say, gee, there is no place for us there, then I think separatism would indeed be very very -- the cause of separatism would be very very much advanced because there would be a de facto non-presence of french speaking Quebecers in Ottawa.

Now some of the people who either heard or were told about the speech read that as to mean if the Liberals don't come to Ottawa. That is not what I said. I said, you know, those french speaking  
Of course,  
Canadians. the majority of them are Liberal. They happen to be in our party, on the government's side. There are few from the other side but that is, I guess, the source of the misunderstanding and I stand by the text of what I said; that if those french speaking Canadians who, in the late fifties, early sixties or early seventies decided to come to Ottawa in order to affirm a french speaking presence, if they were to go back and not stay in Ottawa, then I think we would be a long way along the road to separatism. I didn't use the word liberal at any point.

Q: You would in effect appear to be saying that Joe Clark would be unable to maintain even a minimal french Canadian presence in Ottawa.

A: If that is the way it appears to you. I mean you take the responsibility and the authorship of that idea. It is not what I said.



I was really -- the whole theme of my speech to the Ontario Liberal Party was in the same way as if there were Quebecers who came to Ottawa to fight for unity, there must be English speaking Canadians who come to Ottawa to fight for unity and they can be from Alberta or they can be from Manitoba. They can be from all parts of English speaking Canada and I hope they will be Liberal but I am not saying they have to be Liberal. I am just saying that somebody has got to take up this fight and I was appealing to my Liberal supporters in Toronto to do the same thing as we have done but in every election, there are a lot of French speaking conservative federalists who run for election and if they were elected, I assume they would come to fight for national unity.

JEFF SIMPSON: (Globe & Mail) Mr. Prime Minister, have you had or any of your senior aids any contact either personally by telephone or in writing with Mr. Turner in the last month?

A: Personally, in writing or by telephone or I suppose by telegraph or telex or gestetner --

FROM THE FLOOR: Or microwave!

A: The answer is no. Can you think of any other way of communicating? Smoke signals!

Q: It was a serious question. One answer will do. Thank you.

JACK BEST: (CANADA WORLD NEWS) Regarding the Guadeloupe Conference, I wonder whether you could say Mr. Prime Minister why it is in your view that whenever countries like Canada, Britain or United States or Germany organizes one of these western summits Canada always gets invited and when France organizes one for instance at Rambouillet and now at Guadeloupe Canada doesn't get invited.

Is France trying to tell us something? That we haven't arrived on the international, western big four scene yet?

A: Well I think we must part ourselves from the idea that a good summit can't be held without Canada being there. I mean this a flattering idea and having been Prime Minister for some ten years I like to think that people believe that but it isn't necessarily true.

Summits can take place, international conferences, without Canada being there and without us feeling slighted for not having been invited and this was, what I attempted to say quizzically when I said

but there is also a summit in Jamaica and a lot of countries haven't been invited and I don't think they feel slighted. It depends what you want to do, what purposes you are looking for, what the reason of the summit is. Now the summit in Guadeloupe, as has been explained to me at least by two of the participants is an event where President Carter wants to know his European counterparts a bit better. I don't know who had the idea first but I have been told by at least one of the participants that it wasn't France that had the idea first. That it was somebody else and it was in fact President Carter. Now I don't know if that is true or not but it doesn't seem all that important.

I think it is damn important that Carter gets to know his European counterparts better than he knows them and perhaps more important better than they know him because I happen to have a lot of respect for President Carter but I don't think every one of his European counterparts among the whatever it is, the seven or eight or ten / most important countries of Europe have the same knowledge of him, and therefore the same respect, and I think it is important that that be established and to the best of my knowledge that is why the summit was called.

Q : You don't feel then, that Canada necessarily rates a place when western summit conferences take place?

A: Well certainly not. Because there are, I suppose, at least two or three or perhaps even four summits a year where the countries of Europe get together and where Canada isn't invited nor is the United States. There are other forms of summits. I guess the Commonwealth is a good example of english speaking nations where we don't invite the strongest and most powerful of those english speaking nations, the United States of America. There are summits on economic subjects where I could understand that Japan might be invited and not Canada and perhaps not Italy but it really depends on what you want to achieve from a particular summit. I think it was fortunate that we were invited to the four most recent summits of the industrialized nations, or was it three. Puerto Rico, London and Bonn. I guess three; because I think we have an input, an interest to defend and an idea to promote but you can't feel that every time they meet they have to invite Canada lest somebody be offended. Certainly not me.

CLAUDE TURCOTTE:        Monsieur le Premier Ministre, une question (Le Devoir) supplémentaire à celle de tantôt concernant M. Turner. Je voudrais l'étendre de façon beaucoup plus globale. Est-ce que, au cours des dernières semaines, enfin, disons depuis les élections partielles, il vous est venu à l'esprit de remettre vous-même votre leadership en question? De vous poser des questions, de consulter des collègues, des amis, par exemple, les instances du Parti, pour savoir si le temps était venu de quitter /<sup>ou</sup> si vraiment la question ne vous est pas venue à l'esprit,

R.                        Eh! bien, je ne peux répondre qu'en disant que les rumeurs dont on m'a appris l'existence sont absolument dénuées de fondement. Si vous me dites        est-ce que dans votre vie jamais il vous arrive de penser à l'avenir? La réponse est oui. J'ai des enfants. J'ai encore quelques années à vivre. J'ai déjà répondu à des questions qui ont été, d'ailleurs, avec deux ans de retard,        publiées dans Le Figaro, que je voulais faire certaines choses à l'avenir. Si vous pensez, encore une fois, à l'interview du Figaro qui a paru à Paris. Bien, je le dis pour ceux qui pourraient y penser, parce que cela a fait son petit tour de presse ici. L'interview avec Alain Stanké a été donnée il y a presque deux ans, il y a plus d'un an et demi, et /<sup>cela a</sup> apparu à ce moment là textuellement dans un livre qu'il a publié. C'est publié aussi à la télévision. Vous l'avez probablement vu, ceux qui regardaient TVA à ce moment là.

Maintenant, on ressort, un bout d'interview de choses que je disais à ce moment là, où il n'était pas question ni de M. Turner, je pense aussi que j'étais pas mal haut dans les sondages, au printemps de 1977. Alors, vous sortez ça maintenant, et /<sup>cela</sup> à l'air d'un gars qui pense à son avenir.

Autre rumeur qui a été publiée par  
le  
M. Wilson, et je peux/lui dire dans le blanc des yeux, parce  
qu'on/le lui a dit, et il ne l'a pas reconnu: Il a publié, je pense,  
une fois ou deux, que j'avais vu M. Jean Marchand, et qu'on avait  
discuté mon avenir. Ce n'est pas vrai. Je n'ai pas vu  
M. Marchand/<sup>en</sup> tête à tête, depuis le printemps dernier. Je sais  
que M. Wilson ne me croit pas. Alors, je ne veux pas lui dire  
qu'il dit de gros mensonges, mais je lui dis qu'il est mal  
informé. Je n'ai pas vu M. Marchand. J'ai discuté avec  
M. Marchand au caucus et dans d'autres circonstances. Mais,  
inventer une histoire comme celle-là, qu'est-ce que vous voulez,  
c'est une pure invention. Alors, voilà.

W. A. WILSON: (Montreal Star) If I may say so, Mr. Prime Minister, I  
received your message from Dick O'Hagan last Thursday --

A: Pardon?

Q: I received your message from Dick O'Hagan last Thursday at  
lunch, discussed it with him, and I have not referred to the matter  
since/<sup>then;</sup> so I have not referred to it since I received a message from you  
that the information is incorrect. I would like that to be clearly  
understood.

A: Well I accept that and I thank you for it. I didn't  
debrief myself from Mr. O'Hagan in any detail but I did receive a note  
that you continued to say, I presume privately, that you had heard  
that from a very good source, with respect, to the effect that you  
continue to believe it but if you don't believe it and you haven't  
repeated it then we are in complete agreement.

Q: I may, sir, have retained some skepticism, but I accepted  
your formal word on the matter.

A: . Thank you.

LUC LAVOIE (TVA): Monsieur le Premier Ministre, je voudrais simplement que vous répétiez la réponse que vous avez donnée en anglais, tout à l'heure, sur votre position face à l'exigence de la France de voir le Québec participer à un sommet des pays francophones, à <sup>une</sup> espèce de Commonwealth.

R. Excusez-moi, vous voulez que je répète en français?

Q. Oui, s'il vous plaît, la réponse.

R. Oui. Eh! bien, la question était: I think you were asking, is there liable to be a summit, a francophone summit?

Q. Oui, quelle est votre position? Est-ce que le Québec participerait à ce sommet- là, à la suite de votre discussion avec M. le Président? Est-ce qu'il y a en aura un sommet? Qu'est-ce qui nous attend?

R. Eh! bien, ce que j'ai <sup>déclaré</sup> en réponse, c'est que, autant que je puisse voir, la plupart des pays qui sont intéressés à la francophonie acceptent le point de vue du Canada, à savoir que, si il y a un sommet international, ce sera à chaque pays de déterminer le mode de sa participation. Je donnais comme exemple qu'il y avait eu, à un moment donné, un malentendu où certains pays d'Afrique, notamment, disaient qu'il faudrait que le sommet soit tenu en présence du Québec. On leur a dit, bien, si vous voulez que déterminer ... qui représentera le Canada, vous nous permettrez de déterminer également qui représentera tel ou tel pays d'Afrique. Ils ont trouvé que cela n'avait pas beaucoup de bon sens. Alors, dans ce sens là, il est généralement admis que, s'il y a un sommet, chaque chef d'Etat, de gouvernement, chaque pays souverain devra décider qui y participe. Dans notre cas, on a décidé que, vraiment, s'il y avait un sommet important sur des questions internationales, il <sup>n'était</sup> pas question <sup>qu'un</sup> autre que le chef du gouvernement



canadien y participe. C'est la position qui a été établie par le Canada depuis longtemps. Je pense qu'elle a été réitérée à cette même tribune par le président d'un Etat africain.

J'ai ajouté que la France, de son côté, avait indiqué que, s'il y avait un sommet auquel le Québec ne participait pas, il serait difficile pour elle d'y être présente. Alors, c'étaient deux positions assez visiblement contradictoires. Je peux en conclure, pour le moment, qu'il n'y aura pas de discussion au sommet. Il n'y aura pas de sommet, parce que ce sera assez difficile de tenir un sommet des pays francophones sans que la France y soit. Elle ne veut pas y être aux conditions qui semblent acceptables, je pense, à un grand nombre de participants. Alors, probablement que l'idée d'un sommet est remise pour quelque temps.

Mais, écoutez là, je tire mes conclusions. Ce n'est pas une conclusion que je tire au nom du Président de la France, ou du Président Senghor ou de quelqu'un d'autre.

PETER DESBARATS: (Global) Mr. Prime Minister I wonder if you could repeat in English what you said in French about -- because I would rather have it with the authentic voice if we could, about reports that have been appearing about alleged conversations you were supposed to have had with associates about possible resignation. These rumours now are <sup>a</sup> recurring phenomenon. I imagine they may be a phenomenon that will endure until we get into an election campaign and I would be interested in your opinion also as to whether you feel they have an adverse political affect on you, whether they make your job more difficult, whether you feel perhaps in some cases they are even politically motivated?

A: I think when I was dealing with that I gave two examples. The first one was an article which appeared in Le Figaro about a week ago and which was talking about my life after I had retired and which seemed to lend some credibility to the fact that I was thinking of retiring and I just pointed out in French that that was an interview I gave a year and a half ago in the spring of '77 which was published in those days and which was <sup>just</sup> re-published now and which was obviously out of context because in the spring of '77, if my memory is correct, there was no rumour of my retirement. On the contrary. I was beginning to be pretty high in the polls so that is



one example I gave and the other example I think has been set to rest in my discussion with one of your colleagues to the effect that one of these rumours I think out of Washington or wherever was to the effect-- no, sorry. It was a rumour out of Montreal or Ottawa that I had met Mr. Marchand, one of the so-called three wise men, and discussed my future with him and he had enjoined me to resign and I can say more in English than I did in French. Not only I hadn't been meeting with Mr. Marchand. / <sup>But</sup> we hadn't had, as far as he or I can remember any private meetings since last spring but that far from enjoining me to resign he sent me a message after reading the so-called article, the so-called facts, and said not only had we not met to discuss this but if you want to know my advice, for God's sake don't resign. That would be a terrible thing to do. That is two. The other was I was meeting Pelletier to discuss the same kind of subject and I think I can dismiss that as I did in France by saying Pelletier's future depends more on me at this stage than mine on him. You know I also said in French I wouldn't deny that I never in my dreaming hours think of the life I would lead some day when I am no longer Prime Minister and in that context when Stanké asked me what would you like to do after I told him I would like to live in the country. And certainly I will avoid <sup>studiously</sup> saying that kind of thing until the next election. / <sup>But</sup> I wouldn't deny that I don't dream about having a life after I retire from politics. As I think the first questioner said we all dream sometimes of getting out of the job we have and into another and maybe --

Q: I was wondering whether you found the rumours combined to make your job much more difficult these days, whether you just accept them as part of the game at this stage of our electoral history or whether you feel there is something more to them, either that they are politically motivated or that they are unfair in some way?

A: Well at this stage I don't find them embarrassing. I mean they are so unfounded that I find them rather amusing. I could conceive circumstances where I would find it embarrassing is that if it tended to become a self-fulfilling prophecy and people are sort of saying well if he is going to go we may as well make sure he does it in the right circumstances and we have the right replacements ready and so on, but here you are perhaps more informed observers than me but I sense no movement to give me a bum's rush either in my caucus or my

cabinet or in my party. Now once again I don't have all the information you do but if I were to state that a bit pompously I would say that I don't think I have lost anything of my legitimacy. I was elected as the head of a party that had a majority. It still has a majority and I haven't seen either in caucus or in parliament or elsewhere or even in federal provincial conferences people suggesting that I had no right to speak for Canada because I was a lame duck and that I was no longer the head of a government so I suppose there are circumstances where it could happen. I don't feel that we are anywhere threatened with that and therefore I certainly can't speculate that it <sup>is</sup> some obscure tactic to do me in.

BOB DOUGLAS (CP): I wanted to ask you about the summit you will be attending, Mr. Prime Minister, the summit in Jamaica, this summit on north south relations. You seem to be going to it with a somewhat weak hand as Canada has frozen its foreign aid budget and at the same time it has raised, has set quotas on imports from some developing countries. I am thinking here of textiles. Will you be going to the conference with some proposals to either ease some of these restrictions, these trade restrictions or to increase aid to reverse this freeze that you imposed?

A: Well on the data itself, even with the freeze, we are still amongst the countries that have the best record in terms of external aid and that is probably more a reason why I was invited than the contrary one, because they hoped to have me change my mind. Perhaps I should say a few things about the Jamaica summit because I don't want you to be disappointed, those of you who are going to travel there to see it and just come back with a good tan but not much information. In a sense it will be like the French summit. We are not fooling you in trying to prevent you from having a nice trip to London or Paris or Jamaica when we say there is not going to be any news. This was the rule with which we set up the trip I have just come back from much on the request of the French government. When they say it is a private visit, you know, it is not good form to have press conferences. And in the case of the Manley Summit, it was set up originally. Oh, I guess the idea began to germinate around last February when Prime Minister Manley came back from a visit to Chancellor Schmidt and stopped off in Ottawa and he told me about an

idea that he, Manley and Schmidt had put together about having five or six of us get together in a very informal setting without an agenda, without specific proposals, without an effort to draw conclusions or to write a communique, just to try and understand a bit better where the log jam was, why we weren't able to make more progress in the north-south dialogue. We know that when the block of seventy-seven who are now some hundred and I don't know how much on the one hand in the United Nations and the block of the others on the other hand, the nine or something like eighteen talk about north-south, they don't get anywhere. We know that the <sup>CIEC</sup> conference made a bit more progress in the sense that the group of nine I think made some very substantial concessions but which were almost thrown away by the less developed nations because they weren't what they expected or as much as they wanted and so on and we feel that the discussions to be held on UNCTAD some months down the road would be more beneficial if some representatives of the north and some representatives of the southern group of countries were able to get together informally without an agenda once again to just try and talk. Now what is wrong with the fund? Why do you object to it and why should it have a second window or why shouldn't it and, you know, without the officials and without the -- a bit like we did I guess on highjacking in Bonn where the Summit seemed simple to us, the seven at the summit to arrive at some solutions on hijacking but then you give it back to the officials and they listen to the private sector and it becomes complicated once again but still once those at the summit have said we can understand this problem and we think we can solve it, we think we make some good progress and this is a bit why Manley is convening I guess four or five of us from the north and four or five from the south. Perhaps a bit less. I don't know what the last numbers are. Once again I am certainly not going there to try and justify our freeze or to plead that we have been more generous than most in foreign aid or in the receiving of immigrants or of refugees. We just think that this is one of the great problems of the next ten or twenty years. The increasing hostility, potential for hostility between the north and south, the have and the have nots. And they know that Canadians, whether it be Mr. Pearson or myself have expressed concerns for that and have tried to work at solutions and I suppose that is the reason

why I have been invited.

BOB LEWIS: (MacLEAN'S) Mr. Prime Minister, one thing that is being said in your caucus and your cabinet and your party is that your party's re-election chances are very bleak. Undoubtedly some of these people are people who favour Mr. Turner but many of them are very loyal to you and I am just wondering what your thoughts are about the way in which you may reverse your fortunes which are very bleak. What plans and strategy do you have over the next few months to get yourself out of what looks like --

A: Well I guess the first thing I would say is to cheer up those who think that our future is very bleak and to give them a bit more confidence and that would seem to me the first operation.

I suppose there are a certain number of hand wringers in my party and perhaps I don't have occasion to meet them as often as you do but certainly when I meet them as I have occasion to I try and tell them that we have fought difficult battles before and we have won them and when I find partisans who need to be stimulated a bit well I talk to them as I did in Toronto two or three weeks ago but it is certain that you don't -- I won't quote Laurier but I'll quote again: Napoleon / "You don't fight the same kind of war with different kind of troops." Show me the troops I am going to have and I will decide what strategies we should use. I didn't realize precisely the nature of the operation here was to convince you that things are going to be good --

GEOFF MATTHEWS: (Halifax Chronicle-Herald) I wonder if you can tell me how soon you will be announcing the name of the next Lieutenant Governor of Nova Scotia and if the choice has been made yet.

A: I think I can safely say that that will be done before Christmas.

Q: Has the choice been made yet? .

A: Well we are down to a short list.

MIKE DUFFY: (CBC) Mr. Prime Minister before I go back to ask you about some of the other questions about your career following on Geoff Matthews, when are you going to make public your appointment today which I gather went over with great cheers and so on at cabinet of Mr. Mackasey as the chairman of Air Canada?

A: Well this is a good time to make it public. Do I hear the



same cheers here?

Q: Do you see a role for him in terms of national unity and so on carrying on as a sort of semi-public figure at the airline and making his speeches about bringing the country together?

A: I don't see why he shouldn't make those speeches. I think that more chairmen of boards and presidents of corporations should <sup>if</sup> be concerned a little bit with the problem of unity and Mr. Mackasey in his spare time, and he has a lot of energy, can give an example to our corporate managers of somebody who is not only concerned with the worker and with serving the public well but is also concerned with the future of the country. I think that will make it even more clear that it is a good appointment.

Q: Sir a propos the discussion of your stepping down, I was told in the last couple of days that rather than step down you had <sup>some</sup> even indicated to people that you were prepared to stay on if in the unlikely event there would be a conservative government, that you would stay on as leader of the opposition at least until the Quebec referendum is out of the way. Do your thoughts go that far ahead?

A: Well it is not the kind of thing I dream of. It is not the kind of thing I like to speculate on either. If you stay on and you respect the democratic process you have to be prepared to live with the results whatever they are. As Sacha Pitoeff used to say in Marienbad: "I can lose but I never do." He was a gambler.

GEORGE RADWANSKI: (Financial Times) Mr. Prime Minister as much for the historical record as anything else and without reference to specific rumours as to who you did or didn't talk to and without reference to the fact that everybody thinks about his future at some time, did you in fact recently go through a period of more or less intense reflection on the pros and cons of staying on which, I suppose for someone who approaches things as logically as you tend to, would be the normal exercise to go through. Did you in fact instinctively decide well I am going ahead with it without any period of actual reflection on the pros and cons?

A: Well you George or shall I call you Peter -- you are asking what is the nature of my thoughts. You know that is really going a

bit far. I have told you the results of my thinking process. Have I ever speculated in my inner soul about my future? I suppose I have. I think I have said once before that if it hadn't been for the election of the PQ in November of '76 the decision to leave politics might have been rather easy to come by. So, you know, sure, I think about these things sometimes but I certainly don't discuss them in front of all these mikes.

Q: Well, sir, I wasn't asking you to spill your guts in a totally general way --

A: Well let's go on to the next question.

DOUGLAS FISHER: (CJOH) Mr. Trudeau a question arises out of watching Mr. Levesque on television the other night speaking about the return of the Cossette-Trudels and he got into the question, he repeated that now famous phrase of John Turner when Minister of Justice that someday when the truth is known about what happened in October, 1970, the Canadian people would understand. Mr. Levesque said that he hoped that in this coming trial and perhaps associated with it we would finally know. I wanted to ask you two quite rather separate questions. Did you ever give any consideration to giving terms of reference to the MacDonald inquiry to deal with that whole matter of the crisis in relationship to security of 1970 and the other question is have you still any consideration of doing anything about the War Measures Act before the next election?

A: Well you quote Mr. Turner and I do believe he said words to that effect. I can only say that I have never said anything like that nor have I ever believed ---

Q: If I could interject here just for information purposes. Just last week, I think when you were away, Mr. Lalonde in response to a similar question from someone in the press gallery said that no there still wouldn't be any release of that information or the facts so in a sense he tended to give credibility to the idea that there is still something that isn't known.

A: Well I really can't contradict you on Lalonde but like Mr. Wilson I have very grave reservations about what you say. Lalonde was living in those events and I believe that his thoughts would be much closer to mine <sup>than,</sup> I don't say Mr. Turner's thoughts but I say that particular phrase. I have always said in and out of



Parliament that there are no hidden facts upon which we made our decision to proclaim the War Measures Act. There wasn't a series of informations we had that we couldn't tell people and that someday after the 30 year rule were exhausted you would find out about it. That has always been my position. It still is. And the only sense in which -- I don't know once again what Lalonde said and in what context you are quoting him -- but the only thing that could come out of an inquiry as far as I am concerned are things that are already known.

Q:           There is no mystery there at all?

A:           No mystery there at all. I got a phone call. I remember it clearly. I was at Lac Mousseau, Harrington Lake. I got a phone call from Monsieur Bourassa on a Sunday sort of saying, you know, we are running out of means. Our police are tired. We can't follow all the leads we have. I am informed by my police that they need greater means to act and so on. You have to give us those means through the War Measures Act and I said, you know, you can't be serious. If we proclaim the War Measures Act now we would be accused of using methods which would be harmful to you because you would have asked the federal government -- you try and solve the problem with the people you have. We will lend you our police. If you need the army you know under the Defence Act you have just got to write and say that you need assistance of the civil power and that was the dialogue for several days. I have said this. Pelletier wrote it in his book. Bourassa has made it clear several times. These are the facts and I would think that both the Quebec cabinet and the Montreal police had to struggle very hard in their souls before asking Ottawa first for the army and second for the use of the War Measures Act which here again should I remind you, was not an invocation of the totality of power. It was a slight extension of the Criminal Code to be used in exceptional circumstances such as most countries have the power to do under the criminal law that they have. And, that slight extension is an important one in terms of civil liberties. It means the power to arrest without warrant and to detain for more than whatever it is, the usual 48 hours, I forget what the code now says, without bringing to trial and that is a serious departure from the normal operation of the Criminal Code but it is not the War Measures Act. It is the use

of a slightly enlarged police power and that was brought in at some point when I repeat, the provincial police and the municipal police in Montreal seemed to be running into problems of exhaustion and not being able to follow up all of the leads they had<sup>And</sup> when the federal government first got a request from the provincial attorney-general that he wanted us to give him military assistance which other provinces have asked for in other circumstances and we <sup>have</sup> no choice but to say yes because we don't have a national guard in Canada as they do in the United States of America where each state has its national guard. There is no such thing in Canada so when they need a national guard they write us a letter and ask for it. And that was the army. And insofar as the War Measures Act it was only when we got written assurance from both the democratically elected Mayor of Montreal and the democratically elected Government of Quebec that there was a state of apprehended insurrection or words to that effect, that we invoked the War Measures Act. There <sup>were</sup> a lot of rumours and we heard about arms cached and everything else. I remember hearing about arms being discharged at Three Rivers and falling into the river and so on, and, you know, in times like that you hear all kinds of stories and maybe that is some of the things that Mr. Turner had in mind. I remember hearing stories of trucks that had been loaded with dynamite and they were parked in the garage of a certain building and at some given signal they would blow the city up. You probably heard them too.

Q: Mr. Marchand told Mr. Webster out in Vancouver but I want to ask you a supplementary about this if I may because --

A: This will be the last one, though.

Q: Is it possible that Mr. Turner would know of matters at that time that you did not know because he did make that statement in the Parliament. It is on/record and I have asked Mr. Turner on several occasions as a journalist whether he was prepared to say<sup>and</sup> he said "someday it hasn't been cleared" so that was an indication to me that the question Mr. Levesque raised just the other night on television is still in people's minds including Mr. Turners. It is possible that he knew something, was aware of material at that time that you didn't know?

A: Well is it possible? I suppose anything is possible but all I can say is that it is the most unlikely event that I ever would have

heard of. You know Mr. Turner and myself and Mr. Sharp and Mr. Drury and MacEachen, there was a small -- Mr. Marchand, Mr. Pelletier, there was a small group of us who were trying to pilot the country through this crisis and we were the ones -- I remember that group very well which had to discuss well, would we accede to the requests of the government of Quebec and of Montreal and invoke the War Measures Act? And if there had been any facts there -- you know, maybe Mr. Turner was perhaps aware of more rumours than I was and perhaps some of those rumours may be founded so that maybe Mr. Turner does know things. All I can say is that the basis on which the decision was taken was not that kind of rumour. It was an analysis of the situation. It was the knowledge of impending panic and exhaustion and advice by various police corps and we said well this is it and, you know, you have to go back and I <sup>know</sup> some of you lived those days and wrote about it -- you have to go back to the atmosphere that was in Montreal and other parts of Quebec in those days to realize that nobody knew the extent of the danger --

Q: Perhaps your remarks today will satisfy Mr. Levesque?

A: I don't think that will be of any interest to him.



A CTV NEWS SPECIAL REPORT

A CONVERSATION WITH THE PRIME MINISTER

TRANSCRIPT

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BRUCE PHILLIPS: Good evening, I'm Bruce Phillips. I would like to welcome you again to the annual CTV conversation with the Prime Minister of Canada. It is the tenth year in a row it is my pleasure to welcome as our guest tonight the Right Honourable Pierre Elliott Trudeau. I think this is the twelfth or thirteenth that you have done Mr. Trudeau and the tenth anyway that I have done with you, as some sort of a tribute to your longevity.

PIERRE TRUDEAU: It is

BRUCE PHILLIPS: Before we start this, I would just like to outline briefly for you if I can, what I personally hope to achieve by this conversation. I'm not here as a prosecuting attorney, I'm here to ask questions. The Prime Minister is not here as a defence witness, although I hope we will have a lively exchange on the record of his government. I'm

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also here to invite the Prime Minister because he is the Prime Minister not just the party leader, to give his perceptions of where he thinks the country has been and where it is going. Above all I hope this exchange will be interesting, even entertaining and above all civilized. We are going to be back in just a moment to start.

BRUCE PHILLIPS: Mr. Prime Minister, you said in Toronto a few days ago in a speech to a fund raising dinner that you like your job and at a recent press conference, you left the impression at any rate, that all questions about your future as a leader, had been decided, but I personally remain at least a little bit unconvinced. It would seem to me that as a politician you would keep your options open to the last possible minute in terms of whether you wish to continue on as a leader. I would like to ask you therefore, have you really finally and totally made up your mind about this question?

PIERRE TRUDEAU: Yes I have Bruce. I am wondering what you mean by what is the last possible minute? Obviously one can ask me this question and one has been asking me this question for several years now, including before the last election and certainly after the 1972 election and a minority government and I kept saying yes, yes, I'm here to stay and here to fight and it's the only answer I can give.

BRUCE PHILLIPS: No I think there is another answer that you can give if you wanted to give it. Well, if you look at your Gallup polls along about February or March and they show you in a decidedly unfavorable position, you might at that stage of the game decide that there is no point in fighting an election which you seem predestined to lose and therefore turn it over to another leader.

PIERRE TRUDEAU: Well I suppose you could have said that at any time in the past when the polls were bad and indeed they were very bad at times and they always seemed to come back and I always seemed to come on at the election and at least for the past three I stayed on and been Prime Minister and one cannot prevent the press from speculating but of course I give the answer that is in my mind at any given time that is asked me, has consistently been the same one.

BRUCE PHILLIPS: Well that is your present intention at any rate, is to stay on at least as Party Leader.

PIERRE TRUDEAU: Of course but it was my present intention in 1972 and one could say, aha, it's his present intention so he'll probably leave in 1973.

BRUCE PHILLIPS: Well let me turn the question around another way. I mean even if you thought your chances of winning were minimal, that you might lose the election, you would still stick in.

PIERRE TRUDEAU: You see I don't ask myself the question in those terms. I ask...

BRUCE PHILLIPS: No, but I am putting the question in those terms.

PIERRE TRUDEAU: I have answered it to you. I'm here, I'm here to stay. I think you've asked me previous years whether it was last year or the year before, if you found that the country had suddenly become much happier or much wealthier or much more united, if you would leave. Then indeed that would set me thinking. Because I mean strange as it may seem, I am not here just because I love power. I am Prime Minister because I think that with the power that I have, I can do things which correspond with my ideal for the country. If you were to come

up with a scenario of that somebody else would do it immensely better, the country would be stronger economically and politically and socially, obviously I would say, gee, you know I don't see that as a reality. I haven't seen that in the past years, someday in politics I may. I may say I'm too tired, or I'm worn out, or the replacement is so obviously better that I leave. But one has to answer at every point in time with the data that we have and the data that we have.....

BRUCE PHILLIPS: Well that's good. That's I'm glad. You have anticipated my next question which is that I've assumed all along and I certainly give you credit for the assumption that if you came to the conclusion that it was in the best interests of the country, to step aside, you would do so. And that Pierre Trudeau does not necessarily assert that what's good for you is good for the country. You put it the other way around. Okay.

PIERRE TRUDEAU: Take my answer. I don't just love power for power's sake. If I have power, it's because I want to be able to exercise it in some direction.

BRUCE PHILLIPS: Well I'm going to lay out for you now a scenario which I think you have to answer to defend your decision to stay on and it is this one, that if these polls mean anything, that we have been looking at, you have been at any rate in the last several months, at any stage of the game, looking at the possibility of leading a party in which you would have almost no representation in the next parliament in from English-speaking Canada and all of your support essentially comes from the Province of Quebec. Now I know that is your basic political problem and that is the one you are now going to try to turn around, but Prime Minister, you will at some point have to make a judgement of the likely outcome of an election and would you be prepared to face an election if it seemed to be in your mind what was going to happen?

PIERRE TRUDEAU: Look if I were certain that my going into an election were going to divide the country, perhaps I wouldn't run. But Bruce that's like telling a gambler if you're certain to lose the thousand dollars you are putting on, will you play it. You would obviously say, no I won't play it, because I'm certain to lose, but if I think I can win, I obviously will play. But if I think I can be of utility to the country, I obviously would stay and when you are in the democratic process, you never know, just like in the gambling process, you're not sure. Polls are down but they have been down before and I've been elected after they've been down. And they're down but they have been up last year and the year before that they were down and you know, they go like that. So, I can't base myself either on the unknown because the polls don't tell you about the future and I can't base myself on whether I would be good or bad for the country. Obviously I think I am good for the country, otherwise, I wouldn't not only be Prime Minister but I wouldn't even be in politics at all.

BRUCE PHILLIPS: Okay, we'll come to that in a moment, but it seems to me that you have confirmed my proposition, that if that if you did come to the conclusion that that kind of a result might emerge, you would think seriously about your position.

PIERRE TRUDEAU: Well there's a very big if. I repeat the gamblers thing, if you tell the gambler he is going to lose, he won't play. But if you say it is not a loaded dice and you can win, then he'll play.

BRUCE PHILLIPS: I know Prime Minister. But look you've postponed the election twice this year because the polls were looking very bad for you. I concluded that was the principle reason

you didn't have it, is because it was not a propitious time from your point of view. Now,...

PIERRE TRUDEAU: And because I could use the time before an eventual necessary election to do things which I thought were good for the country. If once again it's like you know, playing the horses or doing anything. If you don't have to play when you might lose, and you have a chance of waiting to win, obviously you do that. Because you have a conception of your country that you think is the right one.

BRUCE PHILLIPS: Fine, but your options now are running out in terms of time so a decision will have to be made that did not have to be made in 1978, that is to say, whether you stay or go. And, that's all I really wanted to get on the record that this is in some respects at any rate, an open question. You are a professional politician, you're not a man who gives hostages fortune and decides today what might be done seven or eight months from now.

PIERRE TRUDEAU: Well I'm sure you, you by you I mean the media, or those who gamble and speculate on these things, will keep it open until the writs are issued. So really you can keep asking me this question until the end of July of next year and I'll still give you whatever answer...

BRUCE PHILLIPS: Well the questions are a reflection of the number of people who are in your party and have come along and said, gee we wonder whether really Mr. Trudeau's perceptions of how this country ought to be run are the right ones because the polls are so bad and maybe you should get out and let somebody come in who can get support both in French and the English speaking Canada so that we would have a party representative of the whole nation. Now those are valid questions.



PIERRE TRUDEAU: Well I they are asked less by people in my party than people who are not in my party. There are a number of people in my party, maybe there are some liberals who are saying that, but I just think it would be closer to the truth if you had said that a lot of people in the other parties or people who are not in parties but are in a job like yours of forecasting the future.

BRUCE PHILLIPS: I take it at last year I asked you what your principle, remaining objective was and you said that you thought you would lose interest in being a politician or the Prime Minister after Levesque was beaten, I presume he can be beaten and after the treat of separatism had been extinguished. I take it that that is still your view, that's what you are in this job for now.

PIERRE TRUDEAU: I suppose it is my main ambition to keep Canada strong and united.

BRUCE PHILLIPS: Well in that context, will you be forming your appeal for re-election principally around that question next year?

PIERRE TRUDEAU: I believe you can only talk to people whether in or out of an election about things that interest them and over which they have concerns. And if they are not concerned about the unity of the country, I won't talk to them about that. I think they should be, I think they should awaken their concern in that area but it is very possible that the election will be fought region by region, and city by city, and poll by poll and people won't see any of the national issues. So obviously I have to have myself and my party in a state where they can fight on every front. Poll by poll and region by region. I think we know in Canada that there are also national trends which influence the regional voting and they are



what we call sway seats which depend on the national trends. Well I quite frankly because I am concerned with national unity, and because I think it is a very serious problem facing the nation, I obviously think that we will have to talk about that.

BRUCE PHILLIPS: Yes, you're not going to fight the election poll by poll, that's the responsibility of the candidates and it seems to me that it is your responsibility to define the broad national issues on which you think your government has the better answers.

PIERRE TRUDEAU: Yes, and of course I will, but still when one goes to the Maritimes, one makes a different speech about what is important for them because they perceive their future in the country differently than in the west or in the centre and so on but you are quite right. I think whether they want it or not, Canadians will when it comes down to choose in election, one has to ask themselves two things. Is unity endangered in Canada and the second is if it is, who is more likely to be a good government to fight that danger and you know to answer the first question, is Canada in danger. I think there is two answers. Both of which are dangerous to the candidates. One is the answer of those who say, yes, Quebec's separation is inevitable or the country is going to break up but I don't care, I can make a deal with Quebec, or I can if I am a businessman, can do better in a continental country the size of the whole of North America. You know I'm not going to fight for my country, it's too far gone. And you smile, but there are I know businessmen who say that about and they'll make a deal with an independent Quebec. So that's one category of people. I don't think I can do much with them electorally or in terms of convincing them that we should fight. The other group and I think it is a much more numerous one, is the group of people who say separatism isn't possible separatism isn't possible. It's not going to happen, we don't have to worry about unity. The liberals are just using this as a

as a foil because they don't want to talk about the economy, but....

BRUCE PHILLIPS: You've encouraged that yourself.

PIERRE TRUDEAU: There's no real danger to separation, of separation, and therefore don't bother us with it. If this is the case, I think a lot of people are deluding themselves and of course my party and myself, we will try and make people understand that there is a real danger and that they have to ask themselves who has got the right answers. I think people, a lot of people don't like the answers we've been giving them, linguistic equalities, certain constitutional changes and so on. Fine, they will have to ask themselves what answers are given by other people. The opposition parties, the alternative and so on. And I think that's when the choice of an election is a very important one. When people have to say, well we really don't like what the government is proposing too much but do we like what Mr. Clark is saying, for instance that he will he would sit down and negotiate if Quebec voted for Sovereignty Association and he said that. Doesn't seem to worry too many people. I think when it comes time to vote Mr. Clark will either to have explain himself out of that or say that he didn't mean to say what he said.

BRUCE PHILLIPS: I guess Mr. Clark can defend himself, I would like to deal with your proposition at the moment, Prime Minister. And I think a certain amount of confusion in the public mind can be laid at your door because you have said different things at different times in evaluating separatism as a danger to this country. I think last year in this very interview, you tended to say, well the danger had receded, that Mr. Levesque was afraid to hold his referendum. That the people of Quebec were not receptive to separatism and if those statements were true then, then something has happened in the interval to make this ....

PIERRE TRUDEAU: No, it's just that you didn't understand my answer last year, but I will give it again. I still say the people of Quebec don't want to separate. I still say that in that sense, separatism is not a winner. Mr. Levesque can't ask the people in the referendum do you want to separate and expect to get an answer, yes. When he was elected in 1976, he vowed he would hold a separatist referendum in two years thinking he could win it, now two years later and a bit, he is saying he will hold it in 18 months, so we are up to three years and a half. Why because he doesn't think that by asking the question, do you want to separate, he will get a yes answer. Therefore the answer I gave you last year is the same as this year. The people of Quebec don't want to separate. But that doesn't mean the country isn't in danger. I've talked about the other dangers from other regions, but let's simply talk about the Quebec one. Mr. Levesque is now saying he is not going to ask the people of Quebec, do you want to separate. He is saying, I will ask you if you want to separate and have an association at the same time. Now this this means that he doesn't think the people would answer yes to separation. But he does think they would answer yes to a question would you give me authority to separate if I could also be united. You know, have your cake and eat it too. You would like to have your cake and eat it too, everyone would. So if he asks this question, he could get a yes answer. Then what do you do. You don't want me to talk about the other party, but out there they will have to ask themselves what will the other party do if that happens. We said what we would do. And they would have to ask themselves what the other party will do, they will defend themselves they say, but at least they should say what they will do. Because we know Mr. Levesque is not going to ask that kind of question, not being able win on the question of yes or no, do you separate. He will ask a loaded question that he can win. So then what happens? What will the national party of Canada do, what will the provincial governments do at that point?

BRUCE PHILLIPS: Well, the provincial governments or a sufficient number of them have already said they are not interested in such a proposition.

PIERRE TRUDEAU: Four of them said, that one of them said they would be interested.

BRUCE PHILLIPS: You have said that you would negotiate.  
.....

PIERRE TRUDEAU: What have the Tories nationally said?

BRUCE PHILLIPS: Well I hope they haven't interviewed Mr. Clark in this question sometime in the near future but it's not my business to defend Mr. Clark.

PIERRE TRUDEAU: No, no, when you are quoting the Premiers, you can quote the Leader of the Opposition too.

BRUCE PHILLIPS: Well I think there is one other unanswered question in the unasked question in the in this whole debate, Mr. Trudeau that you didn't put and that is what more can be expected of people outside Quebec in terms of the unity debate. All three parties in the House of Commons have supported the main elements of your unity program I think, namely the official languages act but there are other aspects as well. Now what can you say to English speaking Canada that directly involves them in this debate in a way that they haven't already become involved. It seems to me that you are asking them to say well, yes you are in favour of the united Canada so you must support me, surely Mr. Clark and everybody else is in favour of a united Canada as well. What, it does not seem to me that the argument requires from English speaking Canadians some overt direct act. It's a decision afterall that's going to be made in Quebec.

PIERRE TRUDEAU: Look let's start with the assertion that everyone except Mr. Levesque's party, but everyone in Canada is for united Canada. My party, the Tory party, the NDP, the provincial Premiers, the provincial opposition in Quebec, everybody's for united Canada. If you don't think there is any danger to the unity, you don't have to ask the premiers or the opposition what they are going to do if unity starts to fall apart. So, saying that everyone is for national unity only brings you one step. Sure, everybody's for national unity except when it's endangered. When it's endangered, it means somebody's fighting against it and those who are fighting for it have to give answers. And if Canada generally, French, English, east, west, don't perceive any danger to national unity, I say they're underestimating Mr. Levesque's party. And you say, well what should English Canada do? Well what do they do when they feel the country is in danger? You know they bloody well react. I mean what did they do in the First and Second World War? What did they do even in the Great Depression, when they had to choose between certain schemes and others, Mr. Bennet's New Deal or Mr. King's unemployment insurance and so on. What did they do in the conscription crisis? What did they do well even after Mr. Levesque was elected on an independence ticket? You know English Canada reacted, said gee the country is in danger. We've got to choose, we've got to make sure we give the right answers. But what I am saying is that people don't think that danger is very great and the first thing they will have to do is ask themselves if they are right in that perception and we are in a very paradoxical situation where if I tell them or my party says the country is in some danger, you're going to be fooled. You, the premiers at Regina, when you went along with Mr. Levesque on his scheme, you all came out with unanimous resolutions condemning the federal government, you were conned. You don't think the country is in danger so you don't think it matters much to have this kind of a united front against the federal government. All I can say is



that that is not my perception. And I don't think it should be the perception of the Canadian people, but we can't talk of national unity because I repeat, people say oh you're just trying to get your mind off the economy, that's your weak suit, therefore you are inventing this issue of national unity. And our opposition can't talk of national unity, because it's not their issue as it were and they know if they talk about it, then they will be on our grounds. So nobody is talking about national unity and I think that it is that the country is living in a very threatened period.

BRUCE PHILLIPS: Well even if one can see every single aspect of the argument that you have just made, Prime Minister the fact remains that you have been grappling with it for ten years and I have yet to hear from you so far today at any rate, a statement on some new or different approach to this problem than the one you have already brought to bear and it seems to me that it's one of those, you talk about the paradox of the national unity question, I think in 1976, after Mr. Levesque was elected, there was indeed a great deal of alarm in English-speaking Canada but it has tended to subside because people in English-speaking Canada apart from doing what's already been done, feel that they have very few initiatives that they can take and that this is really a problem for the people of Quebec to resolve for themselves. So how can this really be apart from the policies already in place, be substance of some new approach to it by English-speaking Canada?

PIERRE TRUDEAU: Well, first you said after Mr. Levesque's election in 1976, they were very concerned. You said that.

BRUCE PHILLIPS: Sure.

PIERRE TRUDEAU: And you say now they are no longer concerned because they don't know what they can do about it. You know, don't you think there is a little bit of a lack of logic here?



Not on your part, but I think your description of facts are right. But this is what I am, I agree with you, you are right. The people who were concerned in 1976 because here is an elected government in the province that wants to take the province out of Canada but two years later they can't think of any new answers or different answers so why bother to discuss it. Doesn't that sound a little bit...

BRUCE PHILLIPS: Well it's, it may be worriesome but it is the fact of the situation. I think when people realize that there is not a whole lot they can do about a problem, they tend to put it aside and deal with things that they can do something about and it seems to me that that is where the unity question sits.

PIERRE TRUDEAU: Well what you are saying then in their name is that unity is only a question that Quebec can solve. In other words, only Quebecers should decide whether Canada remains united or not.

BRUCE PHILLIPS: No, no, do me a little more credit than that, Prime Minister.

PIERRE TRUDEAU: Explain it again then.

BRUCE PHILLIPS: Well there is a framework in which the question can be decided by the people of Quebec certainly. I know of nothing that has happened in this country in the part of English-speaking Canada to put in the minds of Quebec people that they are not welcome, that there shouldn't continue to be a federalism that the main elements of ten years of policy-making have not been accepted by English-speaking Canada. That is the context against which the people of Quebec will make this decision. What I am asking you, what more can be expected of somebody in the English-

speaking part of this country who after all won't have a vote on the question? I mean can you just go around this country saying, elect Trudeau because there is a real danger to this country and I know the danger is there and I'm the fellow who knows how to deal with it. Surely there has to be more it than that.

PIERRE TRUDEAU: Well I'm not saying that. I'm saying elect the guy who can deal with this problem of the united country best. You know my answers, I can repeat them again. You may not agree with them, you may think the other fellow has better answers. What are they, let's examine them. But this is not happening, the other fellow's not giving answers for the reason that you said. Too many Canadians are saying, well you know we were worried in 1976, but what's the point of worrying any more. There's nothing we can do about it. If this is really the attitude of Canadians, country's gone. You know, problem of unity is not just Quebecers out of fancy, sort of Mr. Levesque sort of pulling strings and getting elected and saying, well English Canada has given us a fair deal, they have given Trudeau everything he wanted, they have put a French-speaking Prime Minister and a French Governor General still elect me to separate the country. You know, you have to at least respect the democratic process enough to believe that there must be some element of dissatisfaction in Quebec with what is going on in Canada. Now, it may unnerve you, it may bore you, it may in the case of the businessmen I'm talking about may be completely indifferent because they can make a deal, but you have to ask yourself that question. Something must be wrong with the country. For a third of the people to want to get out of it. Now if you don't want to listen to my answers about what is wrong, at least ask somebody else what the answers are? Maybe get better ones, but for God's sake, don't just say, well we were worried in 1976, it doesn't seem anything we can do about it so we stopped worrying because

then you are in the second category of people that I said, that you're saying, well separatism is inevitable so let's stop worrying about it.

BRUCE PHILLIPS: No, no, come on now. I haven't said separatism is inevitable.

PIERRE TRUDEAU: Well then separatism is not going to happen, therefore let's not worry about it. Because if you think separatism is going to happen and you think it can be avoided, then surely you should be doing something about it and we should be, you and I and the people out there, asking ourselves okay, unemployment is important and so is inflation and the people who don't have enough to whatever it is, put on their backs and so on. But also the question of unity but we can't talk about that. I mean you and I are talking about it but you know that it is an issue that bores people now and that's why I say the country is in danger.

BRUCE PHILLIPS: I don't think it bores people prime minister. I think, no I don't think it does. I think that the problem that most people have with this whole question is being able to perceive any individual role that they might have in it beyond the one they have already taken, which is to express as they have in a couple of elections, because you have appealed to them on grounds of national unity, their belief that the country should stay together, that there is a place in it for everybody who's presently in it, they don't want it to separate but short of some as I keep saying, to you, you cannot I don't think go around repeatedly telling people that the country is in danger and ask them to do nothing. They have they have already done it seems to me and you have not asked them to do anything new, you're only asking them to re-elect you because you feel that somehow innately you have a better answer.

PIERRE TRUDEAU: Look I don't think we fought a couple of elections on it, no doubt in 68 the question of unity was front and forward and some people were talking about two nations. But in the 1972 election and the 1974 election, wasn't fought on unity. I think the next one will have to be in some sense because people are not talking of two nations, they are talking of ten, you know, there is Quebec, but there is the provinces and a very different form of confederation emerging in the debates now, much looser type of federation, a confederation as Mr. Levesque calls it, but certainly if you follow the constitutional debates and inclination, you think that Ottawa is much too strong, the provinces should have much more powers and so on. We can come back to that in a moment. The main point and another example I suppose is that until we met on the constitution two months ago, there hadn't been a federal/provincial conference of first ministers on the constitution since 1971. So, you know, it's not as though we have built all our fortunes on it, we have just said that in order to keep Quebec in and happy, you have to do certain things, just like if you want to keep the Maritimes or the west in, you have to do certain things. And if you say, well you have been saying that for ten years, whatever it is, linguistic equality. I've been saying for ten years too, that the program of regional economic expansion is necessary in order to redistribute wealth and give greater opportunity to the Maritimes. That doesn't mean that suddenly I am going to have to stop saying it's important and people should be concerned of it because I've been talking of it for ten years. The same thing, there's not all that much new I can say in terms of regional expansion, there's not all that much I can do in terms of keeping Quebec happy. Two conditions are basically necessary, that they feel strongly represented in Ottawa and they do I think, in the past ten years anyhow and the second is that they feel that they can have equality of opportunity in any part of the country, it's going to be their country and by and large I think they all feel that.



But these are the two basics and the same with regional economic expansion. The other party may have better answers to Quebec's worries, better answer to the Maritimes concern about unequal opportunity and higher unemployment or better answers to the alienation of the west but what are they Bruce? And when it comes to vote, when it comes to vote, they I hope the people will have to say, well are these answers better or not? I think the opposition has been very wise and very clever in not giving any of the answers, maybe that's their role. Maybe that's their tactic. But I can't believe that the people will be fooled into saying....

BRUCE PHILLIPS: The last leader who tried it made a serious mistake.

PIERRE TRUDEAU: I know, because that's the difficulty of government. You have to make choices at some point and whatever you choose some people are not going to like it. Therefore you have to make choices as wise as you can and then go out and sell them. But if you think that an election is going to be held with the other side not suggesting what they are going to do in any of these basic problems, western alienation, unequal opportunity for the Maritimes,....and separation in Quebec.

BRUCE PHILLIPS: I don't like to interrupt you in full flight like this, but I don't think that anybody in any party has advocated abandoning all the programs of income equalization and redistribution of income that have occupied most of government policy-making for the last 25 years. If that's what you are suggesting.

PIERRE TRUDEAU: Well, either they are saying our programs are good and therefore why vote us out, or they are saying our programs are good but the application is bad and if the application is bad, all right, let the debate be engaged on that.

BRUCE PHILLIPS: Okay, well then you mentioned the economy a few moments ago and I guess it's time we came to that and that is the objective evidence of ten years of your government and the statistics are not all that sparkling I wouldn't think.

PIERRE TRUDEAU: Absolutely or in comparison with other countries?

BRUCE PHILLIPS: Well if you want to fight your campaign for election Prime Minister on the basis that other countries have not done as well I think you would have to concede then that because these problems are uniquely Canadian, there are no uniquely Canadian solutions. I don't understand that approach. You have said several times that they haven't done as well in Japan, or they have done better in Japan and so on and so forth, but none of those countries is the same as Canada. None of them has the same mix of resources and manufacturing and agriculture and so on. And it seems to me, sir, when you embark on that defence, you are eliminating entirely the fact that we elect Canadian governments to solve Canadian problems and that you really can't excuse yourself on grounds that this country has done as well or that country has done not as well and so on. It does not strike me as a very convincing argument.

PIERRE TRUDEAU: How can I put it? Canada's essentially a trading nation. A twenty-five percent of our wealth comes from trade. Other countries are more or less trading nations. If all the industrialized world is faced with the problem of stflation and Canada is faced with the problem of stflation, I suppose you do have to say, well there must be some answers, theoretical and practical to high unemployment, high inflation or both. Now, the answers our government is giving, are not good and somebody has better answers. That may be in this country and if you have to



say, well what are they, or it may be in some other country, then you have to say, what are they, but that's why I say the whole thing is relative somewhat, you know, you never have absolute perfection in any part of ....our politics or anything else so you have to sort of say, well who's got the best answers in any given time and that's why I compared to other countries because we are compared to other countries. People sort of say well the dollar is falling, that means the other countries are managing their currency better. Or people say well look Canada has a very high unemployment and Germany doesn't. Therefore Germany must be doing better. And I'm saying no. If you want to look outside, look outside fairly and then I can prove to you that Canada is doing better and has been doing better over the past ten years than Germany, and ....

BRUCE PHILLIPS: Ought Canada not to do better, should not a country as rich in resources and with as small a population and such a fine agricultural system, should we not do better? Is it...

PIERRE TRUDEAU: My answer is that it is doing better, but I am saying, we should do better and we are doing better. We are creating jobs in Canada at a rate faster than any other industrialized society. You know that must mean that the economy is working well somehow and I don't take credit for it, certainly not alone. And I'm saying if we are and I don't think anybody has ever denied this, we are creating jobs and we have for the past ten years, in Canada, creating jobs at a rate faster than any other industrialized society. In ten years we have created something like two and a half million jobs, you know a growth rate of above three percent. Now look at that, in the past ten years, Germany has lost one billion four hundred million, four hundred thousand jobs so a country bigger than ours, and we think stronger than ours, in the same period of ten years, has lost a million and a

half jobs, while we have created more two and a half million jobs. Something has happened.

BRUCE PHILLIPS: Prime Minister, it would be an excellent record but for the fact that you have created two million jobs, three million people have joined the labour force.

PIERRE TRUDEAU: Well wait, now you're talking about something else which will come, but if you have created that many jobs, so much faster than Germany or Japan or any, the only people who come near are the Americans, therefore the economy must be working well. But you're saying, oh but you are creating a labour force, very very fast, indeed, you are. But that doesn't mean the economy isn't working well, it means several different things. It means that your immigration is higher than Germany's. In Germany they lost workers as you know rather than have immigration, they have emigration of people. Same thing for Switzerland so in Canada the economy is working well since we created jobs faster than anywhere else. But the labour force is increasing because of immigration, immigration to Canada because of what is called participation rate which really means that the percentage of young people and women who want to work now is immensely higher than it was ten or fifteen or twenty years ago. Now you can say, well the baby boom, we knew about. You knew how many people were born in the 50's and you could assure...we knew that, but did you know what social revolution would take place and that women would be answering. entering the labour force massively? Did you know that immigration would continue to be quite high in Canada compared to these European countries I know. And if so, what did you do about it? Well we didn't know for certain about the sociological changes, participation rate or about that Germany or Switzerland would be sending workers out of the country in order not to count them as unemployed. We could not make that comparison but we did know of course

that our labour force would be growing and we saw that the participation rate was going up and that is why we were stimulating the economy and it is because we were stimulating the economy that we have created these jobs. And because we had to stimulate the economy to create these jobs, rather than send the workers out, naturally it was a greater inflationary pressure in Canada than it was in Germany or Switzerland, so when you say oh that the mark, German mark and the Swiss franc are strong, of course they are stronger than the Canadian dollar, they didn't have to stimulate. Their way to keep their workers at work was to send their workers back home to Yugoslavia or Turkey or North Africa or the Iberian Peninsula, and so on. We didn't have this luxury. We are taking workers in, we were having our baby boom grow up, we were encouraging our young women to work, therefore we had to create more jobs which meant to stimulate the economy more. Which meant to have a higher deficit. Case rests.

BRUCE PHILLIPS: You can't dispute the fact that inspite of all those efforts, there are roughly 8.5% of the work force unemployed today.

PIERRE TRUDEAU: Ya, but you know, I appeal to people's intelligence. I'm telling them that we created jobs faster than anywhere else therefore economy was safe. And and reasonably well managed and creative and you're coming back and saying, oh ya, the economy is fine, but you've let too many people into the country or you didn't force the women to stay in their homes or you didn't tell the young people you can't get into the work force and come out of school. I am saying it is a free society. People want to enter the labour force and they see that that is their answer okay, you will have 8 percent unemployed.

BRUCE PHILLIPS: I think the general expectation of the taxpayer and the voter though is that a government is elected to cope with the problems as they arise, now you have given me an explanation or a justification if you like for the existing situation but there is no blinking the absolute fact of the current state of unemployment, which and you similarly could not dispute the statement Prime Minister that in spite of everything you have done, it has fallen short of meeting the growth of our labour force.

PIERRE TRUDEAU: Yes and I suppose it will as long as we let the people enter the country and as long as we don't try to control births and so on. We do know statistically that the baby boom will be over...and we know that in the 80's there is liable to be a shortage of....workers.

BRUCE PHILLIPS: I don't make the case but surely it is possible that there were other policy options open such as changes in your tax fiscal and monetary policy, it may be that there were other solutions which you haven't tried. It's not my business to argue the opposition's case but...

PIERRE TRUDEAU: But the opposition should argue that case and they should show that in some way, either we didn't stimulate the economy enough or we didn't create enough jobs and all I can say is that in terms of creating jobs, bad as the government was, so you say, we have still done better than every other country, industrialized country in the world. With the possible exception of the United States which created jobs at a pretty fast rate over the long haul. But, that's my case. You know, we certainly weren't perfect. Unemployment is certainly too high, we certainly have to retrain people and use this unemployed bulge in order that when we are short of workers in the 1980's, they will have the skills and we won't have to import skilled workers at that point because we will have used this period so our manpower policies,



through our re-training policies, through our mobility policies, all of which are in place, so that when we begin to be short of workers in a few years time, they will have the skills. But, it's true even though I think by the terms that you have to admit whether you like it or not, the Canadian economy has created more jobs faster than any other economy. You'll have to admit that if there is some better solution somewhere, you haven't said them, but the opposition hasn't said them and nobody I know in this country has said them.

BRUCE PHILLIPS: I think we are both in danger of repeating ourselves at this stage of the discussion. In the same general field, you did seem to me to raise the other day the possibility of returning to wage and price controls, was that...were you thinking out loud....

PIERRE TRUDEAU: No, I didn't really raise that, I, if you read the context in which I spoke about that to the first ministers and if they really thought was what I was saying, surely they would have underscored it in front of the cameras which were almost at that point. No, I said we can't just let our guard down in Canada and think that we don't have to continue fighting inflation and I was making the point I don't want to repeat myself, that I was just making, we could create more jobs faster by stimulating more but we would have such great inflation that the inevitable result would be then higher unemployment, you know, we could have a spurt of new jobs by spending money, printing it and everything else. You would create jobs but soon you would sink to new lows so that's why you're on a balanced course. ....But in terms of controls what I was saying is that we have to be afraid of it, we have to be afraid of renewed spread of inflation, the figures will prove it and therefore we must make sure that whatever I was proposing, the restraint measures and Bill C28 or whatever it was, equitable

remuneration in the public service, these policies we will have to implement otherwise controls will have to come, bring back again, but I wasn't saying that we are going bring back controls, I was saying we must do these things in order not to bring back controls.

BRUCE PHILLIPS: Well I wonder if what you're attempting up to now is going to be sufficient to ward off controls or some other very distasteful medicine, Prime Minister, because you have just said yourself that we must be afraid of another spurt of inflation and I get the impression reading the numbers that it is right around the corner and it could be more than a spurt, it could be a gusher. We are just coming out of three years of controls and which you had expected would bring us down to a six percent, four percent I believe was the original target and later revised to six.

PIERRE TRUDEAU: Plus two in productivity.

BRUCE PHILLIPS: Okay, but we came nowhere near meeting those objectives.

PIERRE TRUDEAU: We came down to six which was better than our goal in a year a half ago. Do you recall?

BRUCE PHILLIPS: Well the current annual rate is 8.8 I believe.

PIERRE TRUDEAU: Yes, but we did come down to six.

BRUCE PHILLIPS: Let's say we didn't, didn't stay there very long that way. Now here we are coming out of controls, with an average over 1978 of an excess of 8.8 percent inflation with another big rise in OPEC oil prices and with apparently now increasing demands by the labour unions for higher incomes. This presents you with I would think a very severe policy problem, especially since you've got an election coming up.



PIERRE TRUDEAU: Well let's deal with the labour unions first. Because I think that they have showed very commendable behaviour since decontrols began last April, you know, the settlements have continued to be around seven percent at a time when you say it, inflation was at the rate of eight. So I think in that sense, there is no domestically generated inflation in other words it is not cost-push and they have been very responsible behaviour from that part of the community and I hope, and also very responsible from most of the governments, federal and provincial, that have been restraining their rate of growth and bringing hiring of public servants down to zero, close to zero and so on. But there are other sectors which perhaps have shown less restraint and which to which I was appealing to in that particular conference. So there has you know I don't think we should look for scapegoats or people to blame in Canada at this stage, but there was higher inflation than predicted. What happened? Very simply in the past what is it year and a half, the Canadian dollar has lost about fifteen percent of its value. Which means what, Bruce. It means, that subtract fifteen percent from eight and you will get to you will get to in pretty close to six, that alone, the lower cost of the of the lower value of the dollar has meant because we import so much of our necessities and food stuffs and components of manufacturing and consumer products, goods, that...that I didn't predict the dollar would fall, neither did you. ....And that went with this other, well it's inflation, it's a higher cost of living, caused by the fact that we can buy less with our dollar which really means that in international trading terms, we're not as rich as we used to be when our dollar was worth a hundred and three American. Which means that we shouldn't try to pretend we are as rich and that we can continue to spend as many many dollars abroad whether it be for buying foreign goods or spending long vacations or investing abroad and so on.

.....

BRUCE PHILLIPS: Fair enough...well I just don't want you to use up very valuable time with a recitation of the history of it and I'm just trying to throw this thing a little bit further forward in view of the existing circumstances and your warning the other day about this whole problem and whether we can anticipate some new policy initiatives, or are you going to just sit with the existing mix for the next few months, what are you going to do or do you feel that you are already facing the situation that requires some new government policy, beyond which you have got in place.

PIERRE TRUDEAU: Well in so far as the public sectors are concerned, the conference to which we are both referring, both in February and in November, made some very crucial decisions. It's to make sure that governments did not grow any faster than the total economic wealth in Canada, in other words that we didn't grow any faster than GNP but marginally slower, which the Canadian federal government has been doing three years in a row. I find true the projected year, we have grown less fast than the economy in general. Most of the provinces have been doing that too and it is because of that that inspite once again of the of the of the ..falling dollar, and because of the falling dollar, we have been doing extremely well in terms of competition in the world. It costs us more to buy abroad but we can sell cheaper when the dollar is worth less and that is why our trade balances...

BRUCE PHILLIPS: I wonder if you aren't propinning altogether too much hope on that Prime Minister, the third quarter figures which came out a few weeks ago, were not very encouraging at all, ....

PIERRE TRUDEAU: In terms of trade?

BRUCE PHILLIPS: It was one of the largest single deficits in our quarterly balances, no in terms of trade splended. We have always been selling more to the world than we have been buying.

PIERRE TRUDEAU: No, no. There was a couple of years ago we were in deficit because our dollar was worth too much.

BRUCE PHILLIPS: Well I stand corrected in the use of always. But over the piece we have done very well. Now we are paying out so much in interest and dividends to the United States that it doesn't seem to me we will ever get square in terms of our international payments, so when you say that trade is going to save our skins for us, it seems to me you are expecting too much.

PIERRE TRUDEAU: I am not saying that trade is going to save our skins, I am saying that the value of the dollar is established by a total balance of current account and capital account flows and current account flows trade is one component of them. If we have a surplus in trade as we do, we can afford to have a deficit in in invisibles, by that I mean tourist travel abroad, or exporting of dividends and interest payments and so on. But this has been Canada's history for the past 100 years, indeed it is the history of any country. Either you have a surplus trade balance and therefore you...

BRUCE PHILLIPS: Prime Minister, they want to take a break just now, we will come right back.

BRUCE PHILLIPS: You've only got a few months left and I think..

PIERRE TRUDEAU: What do you mean, a few months left?

BRUCE PHILLIPS: Before an election, and I think you would

agree with me that whatever else you've got a hell of a problem to turn this around. The last bi-election showed your government extremely unpopular. Can you quickly give me your own reasons why you think this is so. I have tried to put forward what I think might be some possible explanations and how you will ever get this turned around.

PIERRE TRUDEAU: Very simply why it is so, look we've, I've been Prime Minister for almost 11 years and the liberals have been in 16 years. People have seen a lot of us, and I think it's a natural instinct to sort of say, well let's give the other guys a chance. Let's see what they can do. And, because of that alone, I mean even if didn't have the bad breaks and some of the bad management that we've had, people would still be saying, well after 16 years of liberals, let's give the other people a chance. I think that's kind of fair. And I'm prepared to live with that. I think that it will be turned around because then they come to vote, they say, okay we're going to give the other guy a chance but let's hear in this election campaign what they are going to do about inflation or unemployment, or a unity, or excessive decentralization or the outlandish demand of the provinces. If they've got passing answers, we'll vote for them. I'm prepared to take that gamble. I'm anxious to see what their answers are. I think once again the opposition have been very clever in not giving any of the answers because the last time they gave an answer, you recall we clobbered them and won the election.

BRUCE PHILLIPS: Yes and then you stole his answer about a year later.

PIERRE TRUDEAU: Well about a year and a half later, look, you don't want to get into a discussion of that do you? Because we fight inflation with tools that are appropriate at a particular time. So I think there is a balance of chance against this.

But wait till the election comes and I think it's going to be a long election period and it may last six months for all I know. But then we will see what the opposition's answers are. And ...I trust the Canadian people enough to say that they will give the answers they will vote for the people who have some of the answers.

BRUCE PHILLIPS: You won't say when. Thanks Prime Minister. Happy New Year.

PIERRE TRUDEAU: Happy New Year to you Bruce.





PETER DESBARATS: (Global TV) Mr. Prime Minister I would like you to elaborate on what you said in the House yesterday about being in agreement with the general lines of the Task Force Report but perhaps not with all of it specifically. There seems to be a general consensus shaping up today that the general thrust of the report is emphasis on enhancing a duality in Canada, support for regionalism, recognition of Quebec's right to self determination. But the general thrust of the report is somehow opposed to the general thrust that your government has taken over these past ten years.

A. I don't know how they reached that consensus. Certainly on regionalism and on duality they are the basis of all our policies for the past ten years. One of the first things I did in taking office was to create a Department of Regional and Economic Expansion and the thing I repeated constantly and constantly during the campaign of '68, it goes back as far as that, was that there were two basic things we had to do for Canadian unity. One was to realize that we had two linguistic communities which led to the Official Languages Act, which is duality. And that we had to realize that regionally inequalities and inequities was just as divisive as the linguistic oppositions and that therefore we would create a Department of Regional Economic Expansion which we did to deal with these regionalisms. Even in Bill C-60 that we introduced last spring in terms of reforming the Constitution we recognized these two dimensions. We tried to introduce the notion of regionalisms by a reformed Senate and even by making special provisions in the Supreme Court's suggestions and insofar as linguistic duality of course we did what you know. We wanted to entrench that notion of linguistic equality into the Constitution. So there can be

no difference in that regard and that is why I welcomed the Report so enthusiastically yesterday. I think it has demonstrated, this group of men and women who are certainly of all origins and political allegiances has reached the same conclusions as the government and they said now what we have been saying for ten or eleven years that the unity problem was urgent. It had to be solved soon and it had to be solved on the basis of these approaches.

GEORGE RADWANSKI (Financial Times): Prime Minister, I guess this is in a sense a supplementary to Peter Desbarats' question: I can see where you would not quarrel with the dualism and the regionalism but the main specific recommendations of the Report from those premises are (a) a very large scaled decentralization of power from Ottawa to the provinces and (b) stretched into dualism in the form of special or distinct status for Quebec which are both ideas that you very vehemently opposed in the past. Are you in fact enthusiastic about those recommendations or has your thinking changed enough to be enthusiastic about them or are those the specifics with which you hinted yesterday that you might have to quarrel?

A. My thinking has not changed on that. To take each item separately, on decentralization I think that there has to be a strong central government and strong regional governments. In the application of that concept the commissioners proposed certain functional principles with which I generally agree. You will see at the First Ministers' Conference beginning a week and a half away that we have continued with our thrust of last fall and propose indeed a fair amount of decentralization. The counterpart to that is that we also propose as do the commissioners that in other areas there be even stronger centralization. They point out the economic areas as extraordinarily important and by and large this is an approach

which I accept. I would think it a mistake to decentralize violently in all the areas they suggest and not have the strong central government reinforced in other areas. So by and large it will be a matter of looking at each recommendation and discussing them and having some horse-trading but I would say that I am certainly not a convert nor do I have to be to extreme decentralization as a result of the Report. The other point on which you said there was some disagreement was special status. Well I suppose each person can read what he wants into the Report on that area. I am adamant in saying that they do not propose special status. I have not heard either Mr. Pepin or Mr. Robarts come anywhere close to saying that. I wasn't at their press conference but they do propose something which seems reasonably close to what our government has been doing for a long while, opting out provisions. They say in some areas of decentralization if some of the provinces don't want to exercise powers, they don't necessarily have to. They can opt in or opt out of whatever it is. I think that a careless central government could use these provisions to permit or encourage the emergence of special status in which case I would violently object to it. But you know in what sense I object to special status. It is a constitution in which one or a few provinces are allocated constitutional powers that are not allocated to the others and they emerge with, under the constitution, considerably more powers than other provinces. I think this would be deleterious to any working federalism but they do not propose that. You know, I think it is quite unequivocal they do not propose that some provinces be granted powers that are not granted to others. Insofar as a province using its powers to give itself a distinctive status well, there again is there anything else that Pelletier as Secretary of State or that myself as Prime

Minister have advocated. You know we have constantly said even before I got into politics I would tell my students in constitutional law: "You can use the constitution to make Quebec into a very distinctive place. You can use the authority of the present constitution to give yourself a special status in that sense if you want to. You do not need special powers. Use the powers you have." And indeed we have seen since Lesage and then Bourassa and now Levesque, they are using the powers they have to make the province a very distinctive place indeed. I think they are doing it too much but you know they have used their powers over civil law to do certain things which are driving businesses away. I think that is silly. But if they want to be a special status in that sense they can give it to themselves without it being written into the constitution.

GEORGE RADWANSKI: A quick supplementary if I may: so it would not be accurate then in your view to say that for better or worse and I suppose whether it is for better or worse would only be determined in the campaign but that for better or worse the specific recommendations of Pepin-Robarts are closer to the position of Joe Clark and the Tories than to your own.

A. It would not be accurate to say that?

GEORGE RADWANSKI: Yes. Would it be accurate for you to say that or not?

A. Well I have answered for myself. Who can answer for Joe Clark? You know, what are his positions on these matters? I think he still has to spell them out. Do we know what he thinks about special status. Do we know what he thinks about ... I think we do know what he thinks sometimes about decentralization. He favours it a great deal. But will he have a flipflop and say but he does not mean excessive decentralization.

I don't know. I know that he has in his meetings with the Conservative Premiers offered them a devil of a lot of decentralization without getting anything in return but that is not our position. I don't know if he will stick to that one himself. But I would be happy to campaign on the basis of the Pepin-Robarts general approach to Canadian unity and the constitution. Obviously when you get down to specifics you will find different parties having to take their responsibilities to say in this specific case we do not have the same solution. If anyone asks me I certainly have one good example where I agree completely with the aims of the Pepin-Robarts Commission but I do not agree with the methods that they use. That is the protection to be given to official language minorities. I think they are dead wrong, not in their goals which are the same as ours but in their thinking that if you just leave this to the provinces they will out of great generosity protect with statutes the linguistic minorities, the official linguistic minorities and then that these statutes will eventually be written into the constitution. I think the history of the past 110 years has shown that this kind of optimism which I envy, you know, they have got a very beautiful and hopeful view of provincial behaviour in this area but I don't think it is borne out by the facts either past, present or that they will be borne out by the future facts. I think in other words the constitution or the Federal Government must entrench and protect the linguistic rights of the official language minorities, English in Quebec and French in the other provinces.



MICHEL GUENARD (TVA): Monsieur le Premier ministre, ma question suit celle posée par M. Radwanski. Les commissaires écrivent qu'il serait plus conforme à l'esprit d'un système fédéral d'abroger l'article 133 et de renvoyer aux provinces/<sup>toute/</sup>la responsabilité de protéger les droits des minorités soit francophones à l'extérieur du Québec et anglophone au Québec. Est-ce que vous pourriez commenter là-dessus et nous dire surtout pourquoi ce n'est pas conforme à l'esprit du fédéralisme?

R. Eh bien je viens d'indiquer et si vous le permettez je vais le répéter que je suis tout à fait d'accord avec l'esprit et les buts qui animent les commissaires. Ils disent: bon, un des aspects importants de la dualité, c'est la dualité linguistique. Le Gouvernement fédéral, dans sa législation sur les langues officielles, l'a reconnue et l'a légiférée. Alors il faut qu'il y ait deux langues officielles, l'anglais et le français etc. Il faut que cela soit au niveau fédéral dans la constitution, alors, là-dessus, accord complet. Il faut aussi que ce soit au niveau provincial mais qu'on puisse se fier aux provinces pour légiférer cette égalité-là comme le fédéral l'a légiféré, comme le Nouveau-Brunswick l'a légiféré, nous pouvons espérer que le Québec légiférera cette égalité, que les autres provinces anglophones légiféreront cette égalité linguistique et qu'éventuellement, lorsqu'ils auront légiféré nous pourrons tout mettre cela dans une déclaration des droits de l'homme et du citoyen. Alors, sur les objectifs, tout à fait d'accord, pas de contre-distinctions sur leur notion du fédéralisme et la nôtre. Je pense que c'est sur les mécanismes historiques et sur les moyens que nous différons d'opinion. Sauf erreur, et leur texte le reconnaît, depuis 110 ans les législations provinciales ne sont pas allées dans la direction de la protection des droits linguistiques minoritaires. Les commissaires eux-mêmes citent le règlement 17 en Ontario, citent la loi de 1890 au Manitoba, etc. Alors on ne peut pas se fier aux provinces pour protéger les droits linguistiques minoritaires

et c'est là que je trouve la Commission un peu paradoxale. Ils disent que dans le Québec, que la preuve est faite, qu'il protège les droits des minorités, on n'a pas besoin de l'article 133. Cela me paraît vraiment une erreur de la Commission. Le bill 101 justement a été attaqué devant les tribunaux parce qu'il tendait à aller contre l'article 133. Alors comment peut-on dire qu'un gouvernement provincial tout naturellement va protéger les citoyens comme le fait l'article 133 lorsqu'on a la preuve exactement contraire que le bill 101 tente d'enlever aux citoyens anglophones du Québec des garanties qu'ils ont en vertu de l'article 133 de la Constitution. Alors en somme leur foi en l'avenir, leur confiance dans l'esprit des provinces comme devant protéger ces minorités-là me paraît pour le moins un peu naïve. Sur l'objectif encore une fois, il n'y a pas de désaccord, mais sur la foi qu'ils ont à l'effet qu'on peut se fier aux provinces, qu'on n'a pas besoin de la Constitution, qu'on n'a pas besoin d'arrangement constitutionnel pour protéger les droits des citoyens, allez parler aux Franco-Manitobains, demandez-leur si depuis 100 ans les provinces, de leur bon gré, leur ont accordé les droits qu'ils croyaient avoir obtenus en vertu de l'Acte du Manitoba de 1870, ils vont dire que non. Cent ans d'histoire prouvent le contraire. Allez parler également aux anglophones du Québec actuellement. Demandez-leur s'ils pensent que vraiment le Gouvernement péquiste en particulier a donné aux anglophones ce qu'ils estimaient être nécessaire comme protection de leurs droits linguistiques. Ils vont dire au contraire, on veut nous enlever par législation ce qu'on avait déjà obtenu en vertu de l'article 133 de la Constitution. Alors là-dessus, évidemment il y a un désaccord fondamental entre les conclusions, entre les méthodes proposées par la Commission et l'optique du Gouvernement fédéral.

JEAN BEDARD (RADIO-CANADA): Monsieur le Premier ministre, la Commission demande ou enfin propose que toute décision venant du Québec par référendum sur son statut à venir soit respectée comme telle, cette décision démocratique. Est-ce que vous êtes d'accord avec cette position-là? Est-ce que vous pouvez préciser la vôtre de ce côté-là parce qu'il y a eu beaucoup de controverses sur..

R. Eh bien j'ai précisé ma position là-dessus 100 fois, au moins des douzaines de fois dans les rencontres que j'ai eues avec la presse et d'autres groupes. Je ne pense pas que j'ai besoin de répéter mes positions là-dessus. Je pense aussi que c'est probablement une erreur d'interpréter la Commission Pépin-Robarts comme disant qu'il faudra respecter le droit d'auto-détermination de toute province qui serait conduite en-dehors du Canada par un Gouvernement qui n'aurait pas le mandat de le faire. Mais c'est pas un des points sur lequel la Commission est extrêmement claire. Elle ne tire pas de conclusion.

JEAN BEDARD : J'aimerais avoir peut-être un ou deux commentaires également sur les propositions qui sont faites, par exemple sur la réforme électorale où on propose une proportionnelle c'est-à-dire une soixantaine de députés de plus pris en proportion des voix et cela, par région. Il y a cette proposition-là qui semble assez intéressante. La formule d'amendement également qui inclut l'idée d'un référendum...

R. Je peux vous faire des commentaires sur toutes ces recommandations-là quand elles sont précises comme ces deux-là, mais je voudrais d'abord préfacier ces réponses en disant que les différentes recommandations sont bien liées entre elles. Et si on fait certaines choses avec le Sénat et qu'on le transforme d'une certaine manière, on peut s'en servir pour certaines techniques et si on fait cela, certaines choses dans le Sénat, on est obligé d'en faire d'autres à la Chambre des Communes. Alors vraiment tout se tient et tout doit se discuter dans l'un et l'autre contextes. Et maintenant je

reviens à vos questions. Sur la proportionnelle, par exemple, nous avons proposé que la proportionnelle serve à déterminer les nominations au Sénat, à la Chambre de la Fédération.

Eux proposent le contraire. Ils proposent que le Sénat soit composé de soixante représentants nommés par les gouvernements indépendamment de la proportionnelle. Mais ils introduisent la notion de proportionnelle dans la Chambre des Communes. Cela se discute. Je ne dirai pas que c'est mieux que notre système, mais si par hasard les provinces, à l'unanimité, disaient: c'est ça qu'est la solution, je dirais: bon d'accord, prenons celle-là. Moi, je préfère la nôtre, mais je ne rejette la leur. Je trouve que si on veut en discuter, si on veut en faire une base de négociations, je suis d'accord. Alors vous m'avez parlé de proportionnelle et l'autre...

JEAN BEDARD: l'autre c'est l'inclusion du référendum dans une espèce de formule globale d'amendement...

R. Ah oui... C'est assez amusant qu'ils proposent cela. Vous vous rappelez que M. Lang avait proposé quelque chose du genre et les provinces avaient jeté les hauts cris. Maintenant les commissaires le proposent. Si les provinces ne jettent pas les hauts cris, moi j'accepterais cela comme formule d'amendement. Encore une fois, je ne trouve pas que ce soit la meilleure, je préfère celle à laquelle on travaille et celle dont on parlera à la conférence fédérale-provinciale mais voilà un système qui, pour avoir un amendement constitutionnel, prévoirait la Chambre des Communes donnant son assentiment, le Sénat ou le nouveau Conseil de la Fédération donnant son assentiment mais ce Conseil étant représentatif des gouvernements provinciaux, alors on obtient un peu la même chose que notre formule mais <sup>par</sup> personne interposée mais en plus ils ajoutent l'idée du référendum populaire. Alors c'est un peu ce que M. Lang avait proposé et je n'ai pas d'objection non plus. Il ne faut pas que la formule soit trop rigide. Celle-là, à cause des proportions qu'on recommande, ne me paraît pas extrêmement rigide mais je ne sais pas si les provinces la voudront. C'est pas ma formule préférée. Mais à partir du moment où ils créeraient une deuxième Chambre comme ça, c'est

une formule à examiner. Moi je ne créerais pas une deuxième Chambre comme ça, mais encore une fois, si les provinces y tenaient mordicus et que c'était la fin de nos débats constitutionnels, je m'en accommoderais.

DAVID HALTON (CBC-TV)

Mr. Prime Minister,

I was wondering if you could tell us how you rate the chances of success for the upcoming Constitutional Conference and whether you are encouraged by what has been happening at the Vancouver meeting?

A. I really cannot make any accurate prediction. I am encouraged by the debates which have happened and taken place at the official and ministerial level in the last three months since the October conference. There has been clear progress but I cannot predict what will happen when the First Ministers get together with myself and then ask themselves what kind of a package we are going to put together. I am a little bit burned from our last conference when I thought that we had made great progress in the first two days and then when I got together with the Premiers over a private luncheon they refused to write anything into a communique which could be interpreted as progress. But, that might have been a tactical move and they may take a completely different approach at this Federal-Provincial Conference.

BOB LEWIS (Maclean's): Prime Minister, once again on the Task Force Report: apart from the fact that it clearly helps Joe Clark because it raises a profile on national unity, I am wondering what practical event that you see flowing from this report in light of the Constitutional Conference upcoming? And by that I mean can you point to any new proposal in the report that you embrace and you will take into that meeting and say let's get agreement on it?

A. Well if the press is going to start asking ironical questions now I won't know how to shape my answers. I don't think that the governments, including our own, will be ready at this conference to sort of analyze and take positions on all



the recommendations of the Pepin-Robarts Committee. Some may emerge in discussion as they just have now in some of these questions and answers but I understand that there was some talk about it on Wednesday in Vancouver and that there was a clear consensus that we should continue with the progress that seems to be being made and that we should not sort of change horses just because on some particular point the Pepin-Robarts Commission came out with recommendations which are different from ours. So here again it is difficult to predict. But, my preference would be to continue as indeed it seems to have been decided on Wednesday by the Ministers that wherever progress is visible and present that we should not sort of stop everything just because we have a report. I think it is very important that what progress we have made between elected representatives be continued even if it disagrees in some areas with the Pepin-Robarts Committee.

BOB LEWIS: But there is nothing in particular that strikes you as being new that you would like to promote at this meeting <sup>in two weeks.../</sup> ~~in~~ the Pepin-Robarts Report?

A. No, nothing that I will want to single out and say we must take this and run with it. I think we should keep to the path that we have already traced for ourselves and use the inspiration and philosophy of the Pepin-Robarts Commission to convince those who might still be reluctant to move rather rapidly towards constitutional reform that it is indeed urgent.

TERRY WILLS (Toronto Star): Mr. Prime Minister, you have said that there is a possibility that the federalist forces might lose the referendum in Quebec held by the PQ Government. In fact depending on the phrasing of the referendum, a good possibility; and you have said you would not negotiate nor would you use force if the PQ Government used the results

of the mandate to become more sovereign. What would you do?

A. As I said I have answered these questions at great length and I will repeat my answer on that: I think the PQ must have a clear referendum. I said it must be soon. They are obviously not going to have a clear referendum. They are going to ask, you know, will you permit us to have some mandate to negotiate sovereignty association. And as we know by now they are not going to explain sovereignty association in a way which will be clearly understood by everybody. Obviously we have the example of a couple of Tory leaders who did not understand it, even yet. I understand that even Senator Muskie, perhaps I should not quote him without even having seen what he said, but as explained by Mr. Levesque that souveraineté-association really did not mean independence or separation for Quebec. And he said, oh if that is it, that is fine. Even Premier Hatfield, if I recall correctly, a year ago said, oh well we will negotiate sovereignty association because that is not the end of Canada. I think the <sup>Péquistes</sup> / ~~want~~ the end of Canada. They want to take Quebec out of confederation. They want to make it an <sup>full</sup> independent state, a/~~sovereign~~ state. That is very clear. And therefore I say I will not be bound by a referendum which fudges the questions. It is as simple as that. I would not even bother negotiating with them.

CLAUDE TURCOTTE (LE DEVOIR): M. Trudeau, j'aimerais revenir aux droits linguistiques pour les minorités. Ce que la Commission Pépin-Robarts, les moyens qu'elle suggère sur lesquels vous n'êtes pas d'accord, à ce sujet-là la Commission dit que les moyens que vous-même avez proposés depuis 10 ans, depuis la Loi des langues officielles, n'ont pas vraiment réglé <sup>le problème/</sup> ~~non plus~~ et que en plus cela a contribué à créer des divisions, à éveiller des antagonismes au Canada et que d'après eux, ce n'est pas la façon, ça durcit les positions plutôt que de les régler. Alors comment analysez-vous cette ...

R. Il me semble que vous donnez une interprétation fausse à ce qu'ils disent. Ils disent que la Loi des langues officielles, les politiques fédérales ont été extrêmement importantes. Ils le croient tellement qu'ils proposent que ces propositions fédérales soient incorporées dans la Constitution, donc ils ne peuvent pas s'y opposer. Ils veulent qu'elles soient entérinées dans la Constitution et ensuite ils disent en toutes lettres qu'il y a effectivement eu progrès énorme dans la francisation de la Fonction publique qui est dans la possibilité de servir dans les deux langues officielles les citoyens qui demandent à être servis par le Gouvernement puis ils donnent des statistiques à cet effet. Alors, on ne peut absolument pas tirer la conclusion que vous semblez en tirer. Ils disent qu'on a eu raison de le faire à ce point qu'ils souhaitent maintenant que ce soit entériné dans la Constitution.

ROBERT MacKENZIE (BBC-London): Mr. Prime Minister, we are looking at the effect of admitting television cameras to parliament. And, I wonder if you would say what the effect has been as far as you are concerned of doing that eighteen months ago here?

A. Maybe in the short run it is difficult to assess this but the reason why our government proposed and introduced television was and is a valid one and I think it is a reason why in Canada at least there should be television in the House of Commons. I don't know how it would apply to the British system. We can discuss that if you wish. But in Canada, a country which is so wide and so large geographically, and particularly one where with a federal form of government there are provincial legislatures which are closer physically to the people and perhaps closer in some of the subjects they deal with, there were real centrifugal forces at work in Canada which were dangerous for the concept of unity. People never saw their central government, their central legislatures. They did not see their Members of Parliament at work and it was very important through this media to bring Parliament to the people. I would think that would apply in most countries. Britain is obviously smaller and does not have a federal form of government but there must be thousands of people who never get to Westminster, who do not read the political news and I think in that sense television in the House of Commons is a very important institution in democratic and parliamentary democracy terms. So I am very very satisfied that we did the right thing and I certainly would not advise other governments not to look in this direction. If you talk to any Member of Parliament he would tell you there are some disadvantages but they probably can be corrected. In our case there is the fact that we were afraid that French-speaking viewers would not see enough French but this has been reasonably corrected by enough

Ministers and Members of Parliament speaking French. This problem would not exist for the United Kingdom. There is also the danger of not making it an electronic Hansard in the proper sense that editors can pick and cut and play with the Hansard but they can do that with the written Hansard too. So I think it is quite a success and I think it should be continued.

MR. MacKENZIE: One brief supplementary if I may: it has been suggested by some people here that the Opposition has benefitted more than the government from this experiment. Would you agree or not?

A. In a sense I think that is true. I'm not saying it is a bad thing. It is true certainly in the sense that the most popular period of television in the House of Commons is the question period. And by essence or perhaps by choice of the Speaker this is a period which is given to wide ranges of Members of the Opposition and very little coverage is given to our own Members of Parliament. Ministers of course are front and forward but it is I think a disadvantage for our backbenchers, for the backbenchers on the Government benches in the sense that they do not get exposed to television as often as their rivals across the way. So in that sense it is more advantageous to the Opposition Parties. But you know these advantages are compensated by other things. The fact that you are on the Government benches and you can have the ear of the Minister in caucus or in his office or wherever it is. Insofar as how it treats one side and the other I think that there are difficulties. One that we have raised with the Speaker is the use of a certain standing order which permits you to make a short speech ~~darn~~ the Government without the Government having the right to reply and say your facts are false, and so on. But these things can be corrected



over a period of time by changes in the rules if they are necessary and the rest will be left up to the Ministers and the Members of the Opposition to show how good or how bad they are. It forces Ministers to be on their toes and know the answers. It also forces Opposition Members to not ask stupid questions because they can be made to look pretty silly too. So I don't think it tips the balance unfairly one way or the other.

DOUGLAS FISHER (CJOH-TV): Mr. Trudeau, what are the projections you have short run, say, three months, six months on the dollar, unemployment and consumer price index? Do things look up or down or steady or what are they?

A. They look good to me.

RICHARD GWYN: (Toronto Star): Mr. Prime Minister, I think I will re-ask Terry Wills' question because most unfortunately in commenting on Senator Muskie, you did not have time to answer it. If after a referendum (1) on the question should the PQ have a mandate to negotiate sovereignty association with the Federal Government, you as the Prime Minister would not negotiate and would not use troops. What would you do?

A. I would just continue governing.

CLAUDE HENAULT (Montreal Gazette): You say you would be governing, but because of the referendum legislation which you are proposing I presume you would use that weapon; the Unity Task Force recommends that the question of independence in fact be resolved in Quebec alone; would that referendum then be in your mind conducted in Quebec alone and because you said that you wanted a referendum soon are you thinking at all of including such a referendum in with the federal election campaign which we are going to have this year?

A. Well, I have talked about our referendum legislation before we introduced it. And I said it was an instrument that

we might have to use if the PQ used their referendum properly, got improper questions or got unclear answers. I said we might have to use it in Quebec or we might have to use it in the whole country. I don't think I can say any more than that. We need that instrument. I don't think the idea of referenda is one which I would have come to naturally unless the PQ had brought it in I think by way of guile in order to bring separatism in by the back door. But if they are going to use that kind of instrument I think we should be prepared to use it. I would not say now in what way we would use it precisely. It would depend on when their referendum came what kind of question they asked and so on and so on. But certainly we are passing the law so that we have that bit in our arsenal.

CLAUDE HENAULT: If I may state a brief supplementary: you said that you have already concluded they are fudging their referendum. Therefore there must be some planning going on and has any consideration been given by yourself to the idea of running a referendum in tandem with the federal election campaign?

A. No it is not something I am planning to do. But it is not something I would promise not to do until this whole thing took place. If we have a campaign I am sure we will have a lot of time to answer these questions or to make speeches about them.



PAUL RACINE (Radio-Canada): M. Trudeau, pour faire avancer une mule, vous pouvez utiliser la carotte ou le bâton. Vous avez fait des offres aux provinces. Alors maintenant est-ce que vous avez l'intention d'utiliser le bâton?

R: Je ne veux pas entrer dans vos métaphores mais les provinces n'ont pas dit: ce n'est pas assez. Elles ont dit, sur certains sujets: oui, sur d'autres: nous allons en reparler. Sur d'autres encore elles ont dit: ce n'est pas assez mais je crois qu'il s'agissait d'une minorité de provinces dans une minorité de cas. Vous étiez là autant que moi. Vous savez ce que les provinces ont dit mais je crois que la plupart ont dit: eh bien il y a eu du mouvement; peut-être qu'éventuellement il y en aura davantage. Ma position est exactement la même. Nous avons un certain nombre de sujets que nous voudrions voir discutés. Jusqu'à présent, on a discuté presque uniquement les sujets mis de l'avant par les provinces, mais il y a cette fameuse deuxième liste dont j'ai fait état et M. Lévesque en a une où il s'agirait de discuter encore pas mal de choses.

PAUL RACINE: Est-ce que le rapatriement de la constitution c'est un sujet qui est remis sine die ou si vous avez l'intention d'y revenir?

R: Non je crois que nous y reviendrons. Sauf erreur, mon compte est, vous l'avez compté aussi, que plusieurs provinces veulent qu'on avance très vite pour rapatrier la constitution avec ou sans formule d'amendement, mais de préférence avec une formule d'amendement, et d'autres provinces ont dit, comme M. Blakeney et M. Lévesque, que non, il y a

un certain nombre d'autres préalables qu'il faut régler avant de rapatrier la constitution. Mais le sujet n'est pas mis de côté; nous continuons d'en parler.

CLAUDE HENAULT (THE GAZETTE) Est-ce que vous pensez procéder dans ce domaine sans le consentement unanime des provinces? Est-ce que vous songez maintenant, sur cette question en particulier, à abandonner une tradition vieille de 52 ans tel que recommandé par le Premier ministre de l'Ontario?

R: Non, je peux répondre ce que j'ai toujours répondu, que je préfère que nous cherchions un consentement unanime et certainement que je peux m'engager à ne pas faire de démarches dans ce sens-là sans au moins rencontrer les provinces encore une fois. Je pense qu'éventuellement il va falloir agir mais je dis clairement que ce n'est pas mon intention d'agir unilatéralement maintenant ou avec l'appui de seulement quelques provinces. Je voudrais certainement au moins rencontrer les Premiers ministres une autre fois.



GEORGE RADWANSKI (Financial Times): Two questions, Prime Minister: first, you adjourned the Conference saying that each participant would have to make his own judgement of what has taken place. What is your judgement in terms of the success or failure or somewhere in between those confines, that is the first question. And, the second question: where do we go from here and what happens next in areas of the Constitution? Are you going to have an election first then at some point a meeting? Are we going to have a reintroduced version of C-60? Are we going to have unilateral federal action in other areas? Another Conference before an election or what?

A. Well, on your first question, for me it is linked to the second one: where do we go from here. You were all witnessing the Conference. I think you should be in the position of the Premiers and decide for yourselves whether it is a success or a failure or something in between. I don't want to have an argument with you if I say it is a great success I know some Premiers <sup>will</sup> /say it is a terrible failure and if I say it is a failure, others will say: well, we made progress. So, on that, you know, I have no opinion. It was an open Conference. You saw whether we made progress or not. I do know on where we go from here, that it does pose very serious problems for the Federal Government as to where we go from here. We have made a genuine effort. I will report to Cabinet and we will decide what our posture is from now on.

GEORGE RADWANSKI (Financial Time): If I may ask you supplementary, Prime Minister: Without getting into an argument about the success or failure. Everyone will have his own interpretation. But your judgement, your feelings of success, failure, frustration, or satisfaction that you come away from this meeting with will presumably shape the actions you take on the next while, and <sup>the</sup> /recommendations you make to Cabinet. So I would just like to know what your own assessment is.

A. Well, naturally, from our point of view I am convinced that the federal government went a very considerable distance to satisfy feelings of regional alienation, feelings of provinces who felt that they were endangered by federal pre-eminence in legislative areas. And we have gone some considerable distance also in alleviating some of the fears of that other duality, the linguistic one. So I think there has been, personally, progress by several Premiers. At least five of them are prepared to see entrenched in the Constitution basic linguistic rights in the areas of education. Well, you make the count. I won't risk to be contradicted but I think a majority have also said that they would want a charter of some form whether it went as far as the one we propose or not. So, I think that in that area there is good progress to protect the individual against the state. To protect the English speaking minorities in Quebec and the French speaking minorities elsewhere from provincial governments which might not want to recognize educational rights for those minorities. Now in the other areas the dozen or so areas where the Provinces were sort of saying we want to limit federal power or we want to get provincial power where until now there was either federal paramountcy or federal exclusive jurisdiction. I think we have taken very generous steps towards satisfying the Provinces. Certainly when we are prepared to limit the declaratory power. When we are prepared to limit the spending power. When we are prepared to recognize joint jurisdiction in the off-shore when we have a Supreme Court judgement saying that it is federal property. When we are prepared to limit what has never been done before, the trade and commerce power in order to meet the concerns of the Provinces who want to protect their resources from so called federal interference. I think we have made very considerable movement. I would say too much movement if I were not confident that the Provinces are sincere when they say they will look at our second list. I tabled that second list in November. I talked to the Premiers again about

it in our private meetings and though I did not have time to read it at the end of today's meeting they have all accepted it as read and as part of our future work. And I would not want to clarify the Constitution only in one direction in saying that we are prepared to move to meet the provincial concerns in all these areas without in return then saying but it is true in other areas. There should perhaps be an increase of federal jurisdiction or a greater guarantee that that federal jurisdiction particularly as regards preserving the Canadian economic union be strengthened in the Constitution. And I say there is a question of faith here. I trust these Premiers that the discussions will go on and that this is not just, as I was telling Premier Blakeney towards the end of the Conference, he hasn't seen anything yet. We have given up a fair amount of federal power or at least we indicated we were prepared to but the Provinces will have to in other areas either strengthen or recognize federal supremacy. And those are the subjects on the list.

DAVID HALTON (CBC): At the risk of being repetitive, Prime Minister, I am wondering if I could repeat questions that were put to you in French /on how far you are prepared to go on patriation and are you prepared to meet Premier Davis' call for immediate patriation.

A. Well, if I can give a general answer to this subject, partly a repetition of what I said in French and partly a repetition of what I said to Radwanski: where we go from here is a matter I want to seriously discuss with my Cabinet colleagues. We have all put a lot of effort into this. We believe that the unity question is important in Canada. We believe that it is very important to demonstrate not only to the people of Quebec but to those in the other provinces who feel that there should be a renewed federalism. We believe it is important to show movement. And I will not tell you how we will show movement until I have discussed it with my colleagues in Cabinet. But I can give one undertaking which I

gave in french and I gave it also publicly this morning: in areas of federal jurisdiction which come under Section 91(1) I will feel completely free to move unilaterally in Parliament asking Parliament to do certain things. As regards matters that do not come entirely under federal jurisdiction I would undertake not to move unilaterally without meeting the provinces again.

IAN URQUHART (MacLean's): There are a couple of questions on that meeting with the provinces, Mr. Prime Minister: first of all will it come before or after the next federal election?

A. It depends on when the election is.

IAN URQUHART (MacLean's): Well, let's say the election is sometime in the next five or six months.

A. Well if it is towards the end of the six months it could come before. If it's towards the beginning of the six months it could come after.

IAN URQUHART (MacLean's): So, at any time...

A. Well, there is nothing mysterious about this. Five or six months is half a year almost.

IAN URQUHART (MacLean's): Well, one other on the timing. Will it come before or after the Quebec referendum?

A. You joke.

IAN URQUHART (MacLean's): No.

A. Do you know when the Quebec referendum is. Tell me and I will give you the answer.

IAN URQUHART (MacLean's): One question: if you would consider holding a Constitutional Conference before the referendum even though it is clear from Mr. Levesque's stance at these conferences that he is not going to agree to anything before a referendum.

A. Well, once again supposing his referendum which has already been postponed a couple of years will be postponed another couple of years, my answer would be simple: if I am still Prime Minister I will certainly have other Constitutional Conferences before his referendum. But I don't know when he



wants to have it and I doubt whether he does.

IAN URQUHART (MacLean's): I have one last question: if you do not get agreement on a substantial number of matters from the Premiers at the next Constitutional Conference will you then hold a national referendum?

A. Well these hypothetical questions get other people into trouble, they would get me into trouble except that I always give the same answer. You know, I am looking for a consensus. I am looking for unanimity if possible and I just answered Halton in very clear terms that I would certainly meet the provinces again but I don't know if that means I will meet them once or ten times. I don't know. But I am going to make a further effort depending, as you say, on when the election is, to discuss these matters further. And I believe it's their interests and their will to meet again too on these matters. Several of them made the point explicitly.

RICHARD GWYN (Toronto Star): Prime Minister, during the Conference you expressed the concern that you might have given away the shop. And discussing that just now you said you were operating on a matter of faith. I want to ask you whether you had anything to go on more than faith. In other words in your discussions with the Premiers whether you got firm assurances of their intentions to give back to you to strengthen federal power from people like Brother Lougheed and Brother Davis.

A. Well I'm not quite sure in the case of Brother Davis that he has benefited from much of the shop that has been given to the provinces. He probably would rather be on my side and indeed he was when we have argued both he and I that it was absolutely essential to do nothing in these amendments which would weaken the Canadian economic union. And this was part of the bargain as it were. It was raised by me Sunday night. It was raised several times on Monday. It was raised again today. And it was raised by Premier Davis and I believe other Premiers particularly the Maritime ones. So in a sense they can say: oh, we had forgotten about that. But I don't think



that they will. They all want to preserve the Canadian economic union and in some cases we may be attempting to square the circle by meeting the provincial, shall we say possessiveness about their resources and what happens to them when they leave their borders but I think it can be done. But <sup>it</sup> is all tied together. I am sorry it did not come out clearly at the end but it was made quite clear I believe earlier today and certainly at least two or three times in our private meetings. But except where there was unanimity, the provinces didn't want us to proceed with Constitutional amendments which would give up part or whole of the shop. So in that sense what we have said we are prepared to give won't effectively be given until we meet again or make further progress. So it's more than just a question of faith. It is the way they themselves have suggested we set up the mechanism. They want unanimity. And except on a few things there, I don't think, has been unanimity. There are large measures of consensus and so on but until we break that rule of unanimity either they or we together by finding some amending formula which is short of unanimity obviously these discussions must go on. So in that sense we have bargained in good faith. We have put things on the table that we do not intend to withdraw. But we do intend to see before the trade is made in a final way, we do intend to see what they are putting on the table too.

RICHARD GWYN (Toronto Star): Just a supplementary question, sir: I take it in raising the question of unanimity you feel yourself bound by that rule in respect of any action you might take?

A. It is a political question. In law I think Premier Blakeney rather cutely toward the end of the Conference indicated that even he had doubts whether we would be bound by the unanimity rule. I believe you would find several Premier who would say, you know, if the federal government went to Westminster with a properly couched joint address, Westminster would have no choice but to act even if there was no unanimity. Now Constitutional lawyers disagree. I think we could argue that the last three or

four amendments which involved provincial rights were made with unanimous consent of the provinces. But you can go to earlier periods of our history where there were amendments made which provinces might have claimed that were a concern then and which were made without unanimity. So I don't think you really want a legal answer on this. But I think it is more a political question than a legal one at this stage. Politically I have said I would not go myself without unanimity on matters which were not only within our jurisdiction without at least meeting the provinces again.

PETER DESBARATS (Global TV): Would it be possible, Mr. Prime Minister to get a clearer idea of the options that you will be looking at with the Cabinet. I mean would it be fair to say in very simple terms that you are looking at two. That one would be either there has been sufficient progress at this meeting to perhaps warrant another meeting and perhaps even delaying an election date to see whether further progress can be achieved. And that the other option would be that there has not been sufficient progress at this meeting and you might as well take some of the issues that you have been discussing before the country in an early election. Would those really be the choices that the Cabinet is looking at?

A. That seems to me to be two of the possible options. I'm serious.

PETER DESBARATS (Global TV): The two main options?

A. I would agree they are probably the two main options. I might think of some more before meeting Cabinet but I haven't any on the tip of my tongue right now.

PETER DESPARATS (Global TV): You cannot tell me which option looks best to you at the moment?

A. No, but I would be interested in hearing your advice.

PETER DESBARATS (Global TV): I prefer the later one.

A. Well it seemed like some Premiers were advising me to do that, weren't they, the latter one, to go to the people or at least to move right away with whatever consensus we had.

Did you not understand someone to say that?

PETER DESBARATS (Global TV): No. I said my personal option would be the later election date but you are not known to have taken advice from this side of the platform.

A. I'm sorry. I thought you said the latter one.

PETER DESBARATS (Global TV): The later date.

A. Well thank you for the advice. Some would go early because they want to go canoeing later.

MICHAEL DUFFY (CBC): Prime Minister, Premier Hatfield of New Brunswick has indicated that he feels that entrenchment of language rights in their Constitution is so important that he plans to consult with you, if he hasn't already done so, in terms of making a joint address to Westminster to have a federal petition accompanied by a petition to make New Brunswick, to entrench language rights to New Brunswick.

A. It is a good point to raise because it permits me to clarify when I was talking earlier about the unanimity rule that I would still like to seek unanimity. Of course this means when action involves the various provinces but in a case where a province is prepared as in the case of New Brunswick to bind itself along with the federal government it would be foolish for Premier Hatfield or me to say well we cannot move until we have got unanimity on that. I made it quite clear to Premiere Lyon this morning that we certainly are not going to wait for unanimity to act in areas of federal jurisdiction and I believe Premier Hatfield was indicating the same thing for himself. So how would we act. Yes a joint address would be one way. But you will recall that C-60 proposes another way of "Constitutionalizing" these fundamental rights. And that might be what Premier Hatfield has in mind too. I have not discussed it with him.

MICHAEL DUFFY (CBC): He is anxious to move quickly; how quickly could you move? He is talking about calling you up tomorrow and saying let's move. Seriously.

A. Well, I guess it rejoins Desbarats' question and the earlier one too: if we have several months we could move very soon. And I indicated that to Premiere Lyon this morning. We have not renounced the idea of a Bill C-60 action in federal areas

though I made it quite clear that it would not be the same C-60 nor would we attempt to cover all those subjects. But the matter of a bill of rights and the matter which come under strictly federal concern under Section 91(1) we could introduce in the House, I wouldn't say tomorrow even if he phones me. You know, it will mean drafting the new Bill or finalizing the draft of the new Bill and that is the matter that I want to discuss with Cabinet. It will hinge once again on the election date.

MIKE DUFFY (CBC-TV): The last time we were in this room I asked you a question about the luncheon you had with the Premier and you told me at that time that there had been nothing go wrong. Yet last week you said that you had been burned at that luncheon, at your weekly news conference. How would you characterize the luncheon today and the meeting's failure to put forward that summation that had been expected by yourself at the end in terms of where things were going?

A. Well I don't know if you really want to open the argument of the last luncheon. But I don't recall saying what you said I said. When I came out of the luncheon I think the line was: everything is down the drain now. And I said: no. The subjects that we put for discussion they have all been agreed to: then why didn't you write a communique? I was a little sore at that that they hadn't written a communique because it permitted perhaps some evasiveness. But I must now say that my suspicion and your points of view are not vindicated because in fact the continuing Committee of Ministers did deal with all the things that were before us then.

MIKE DUFFY (CBC-TV): Were you burned today sir?

A. You know, I do see a change in the Premiers' attitude to most of these things. Last November I was kind of sore because they were still in the spirit of Regina where they had all sided with Premier Levesque in saying the Feds shouldn't do anything. Now at this Conference and as I say in the months since November I would say almost all of them have changed their point of view and therefore I am very happy. At today's luncheon



we really didn't discuss substance nor was I burned on anything. What we only agreed to do is permit me as the Chairman to take the less difficult subjects first as I did and deal with them a little brutally by summing up without long, long speeches. And I think that worked. We had hoped to finish by five thirty. We were more than an hour late. But at least we went much faster than we had this morning.

CLAUDE TURCOTTE (Le Devoir): M. Trudeau, si vous dites que vous recherchez l'unanimité ou un large consensus, que vous voulez la participation des provinces dans les décisions, si par ailleurs vous pensez que vous pouvez agir unilatéralement dans les domaines qui sont strictement de juridiction fédérale, à ce moment-là lorsque vous viendrez en campagne électorale et que vous parlerez d'unité canadienne comme vous avez déjà indiqué qu'il faudra en parler, dans quel sens allez-vous parler aux électeurs de l'unité canadienne à ce moment-là?

R: Mais vous me demandez de commencer la campagne électorale maintenant; vous me demandez ce que je vais leur dire, eh bien embarquez sur mon avion, vous verrez.

JOHN GRAY (Ottawa Citizen): Prime Minister, could I just to perhaps refine your answers to a variety of questions: can we expect a new version of C-60 including in particular a charter of rights fortuitously in time for the election campaign?

A. Well, I don't think you are refining anything. I answered that. I honestly did. I said it publicly to Premiere Lyon that we were still ... he asked me clearly: are you still going to have another C-60, and I said: yes, if we are around in Parliament long enough we will have a C-60 and try and get it adopted. And I said the same thing just a moment ago to a question.

JOHN GRAY (Ottawa Citizen): Would that include anything more than a charter of rights?



A. Well yes I said that too. It would not be the same C-60. Obviously, we are not going to reintroduce monarchy provisions because we agreed not to touch them. But there are other areas of C-60 that we would want to move with. The other exception is the Senate. I undertook not to introduce any provisions to change the Senate without the consent of the Supreme Court or of the provinces and of the Senators.

CLAUDE HENAULT (UPI): In assessing this and your perceptions I guess are the only ones that really count: can you say whether on any of these questions you found the degree of unanimity that you need to proceed other than perhaps the thing on marriage and divorce. In other words have you not succeeded in getting that which you need to do anything that is concrete.

A. Let's make it clear. I don't need any of these. I really don't. You know the provinces are asking us to limit our jurisdiction in just about all these areas. So we don't need them. And I'm not downcast that we haven't had unanimity on the way of limiting the federal trade and commerce jurisdiction in the area of resources. And we haven't reached unanimity on the way in which we would limit the federal declaratory power and so on. So you were there. You saw what degree there was unanimity or not. There was not unanimity in very, very many things. I think at some point the provinces will begin to say: well, gee, maybe unanimity is not possible. Maybe we should find some formula <sup>a</sup> for action which is /little short of unanimity. It is particularly not possible if you are acting with a government whose avowed purpose is to show that federalism does not work. So they are not going to make unanimity very simple and easy on many things. At some point maybe this rule of unanimity will break down. One has to be very patient. I was just, I think, answering earlier that there has obviously been a great deal of progress since the unanimity against the Feds in Regina last August and the situation that you have seen in the past two days, past day anyway.



TRANSCRIPTION DE LA CONFERENCE DE PRESSE CONJOINTE DES PREMIERS  
MINISTRES DE FRANCE ET DU CANADA, TENUE A OTTAWA LE 9 FEVRIER 1979,  
A MIDI

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TRANSCRIPT OF THE JOINT PRESS CONFERENCE GIVEN BY THE PRIME  
MINISTERS OF FRANCE AND OF CANADA, IN OTTAWA, FEBRUARY 9, 1979  
AT TWELVE NOON

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M. TRUDEAU: Le Premier ministre Barre et moi-même  
avons voulu profiter de cette visite qui nous honore pour faire  
avancer un certain nombre de dossiers.

Dans le domaine des échanges sociaux, vous venez de  
voir la signature d'un accord; dans le domaine des échanges  
culturels nous avons ouvert un nouveau dossier, celui des lycées  
français. Nous avons obtenu l'accord de trois Premiers ministres  
provinciaux pour faire avec nous, le gouvernement canadien, et  
avec le gouvernement français, des études de faisabilité sur la  
possibilité d'avoir des lycées français dans les villes de  
Toronto, d'Edmonton et de Vancouver. Les Premiers ministres  
provinciaux sont d'accord pour que cette étude se fasse. Vous  
savez que l'un des principes de base de notre Constitution veut  
que l'éducation soit une matière de juridiction provinciale. Nous  
ne pouvons donc pas avancer seuls, au niveau du gouvernement fédéral.  
L'accord des provinces était donc important et cette démarche  
correspond pour nous à une vision du Canada qui est extrêmement  
importante dans l'optique du gouvernement central et de la  
plupart des provinces, c'est-à-dire une optique qui voit le fait  
français au Canada comme étant pan-canadien et nous croyons que  
le Canada sera fort à condition qu'anglophones et francophones  
puissent voyager, s'établir dans différentes parties du pays en  
ayant la garantie que leurs enfants pourront aller dans des classes  
soit anglaises, soit françaises, suivant qu'ils représentent l'une  
ou l'autre minorité.

, Dans les domaines culturels et industriels: culturel d'abord, nous avons également ouvert des dossiers dans le domaine de la terminologie -- la question des banques informatisées qui nous permettraient, à la France et au Canada, de coopérer à la mise en place de banques informatiques, de banques qui nous permettraient de travailler dans l'une ou l'autre langue, et ceci est utile non seulement, évidemment, pour un pays comme le Canada mais pour nos démarches dans le Tiers-Monde où la France et le Canada ont déjà des entreprises conjointes et en Afrique où il y a les pays du Commonwealth anglophone et les pays francophones d'Afrique qui auront besoin de communiquer de plus en plus entre eux sur le plan technique, et nous pensons que ce travail peut être utile également à ces différents pays du Tiers-Monde.

Mais principalement, nous nous sommes attachés aux dossiers économiques. Le contexte encore est connu certainement par les Canadiens: un effort par le Canada de diversifier ses relations industrielles et commerciales vers l'Europe et vers les pays d'Asie, et c'est dans ce sens-là que nous travaillons depuis quelques années à plusieurs dossiers, l'important étant de désigner quelques opérations-clés, quelques opérations majeures qui permettraient de changer un peu les habitudes de nos fonctionnaires et de nos hommes d'affaires afin qu'ils arrivent à considérer le Canada, d'une part, la France, d'autre part, et les autres pays d'Europe comme étant des partenaires valables dans le domaine technique et dans le domaine commercial et, dans ce sens-là, nous avons ce matin annoncé la signature d'un contrat entre la société canadienne des pétroles, Petro-Canada, et Technip, une société française, pour la liquéfaction des gaz, notamment ceux de l'Arctique; il s'agirait d'avoir une usine de liquéfaction sur l'île Melville dans l'Arctique liquéfiant les gaz qui seraient ensuite transportés par méthaniers vers l'est du Canada et vers d'autres pays d'Europe ou d'ailleurs. Ces méthaniers également seraient une occasion pour la France et le Canada d'avoir une coopération technique et industrielle.



Nous avons parlé aussi d'autres projets mais, pour le moment, c'est le projet principal.

Monsieur le Premier ministre, vous voulez peut-être ajouter quelques mots et nous passerons aux questions.

M. BARRE: Monsieur le premier ministre, mesdames, messieurs,

Je voudrais tout d'abord souligner le climat amical dans lequel se sont déroulées les conversations que j'ai eues avec Monsieur Trudeau, Premier ministre du Canada. Ces conversations ont porté d'abord sur les problèmes multilatéraux ensuite sur la situation respective de chacun de nos pays sur laquelle nous nous sommes informés mutuellement, enfin sur les problèmes de notre coopération bilatérale. Monsieur le premier ministre Trudeau vient d'indiquer quelles sont les conclusions essentielles que l'on peut tirer de ces échanges de vues.

Quant à moi, je voudrais dire simplement mes raisons de satisfaction et mes raisons d'espoir. Mes raisons de satisfaction tiennent à ce que la France et le Canada sont décidés à intensifier leur coopération qui s'explique à la fois par des raisons historiques et par les possibilités que ces deux pays ont d'agir de façon concertée ou commune sur le plan international. Nos deux pays participent à la même Alliance, nos deux pays ont une vision semblable des progrès à faire pour maintenir un monde qui soit un monde de détente, de développement et de progrès et tout ce qui peut contribuer à cet objectif de paix et de progrès dans le monde doit être accompli par nos deux pays. Des raisons de satisfaction également du fait qu'un certain nombre de dossiers qui étaient étudiés par nos deux gouvernements avancent et qu'en particulier la signature du contrat qui intéresse la société française Technip, plus exactement l'acceptation de l'offre faite par la société française Technip (je désire être précis sur ce point) est un témoignage de la volonté du Canada d'utiliser les possibilités technologiques et de diversification qui lui sont offertes par l'industrie française.



Sujet d'espoir, enfin, il n'y a aucune raison qui puisse empêcher la France et le Canada de développer leurs relations scientifiques, techniques, culturelles et économiques et il n'y a aucune raison qui puisse empêcher non seulement le développement d'une coopération bilatérale mais également une action conjointe des industries de nos deux pays sur les marchés tiers. Nous en avons parlé ce matin et nous espérons que la prochaine réunion de la Commission mixte franco-canadienne qui se tiendra à Paris au mois de mai 1979 pourra traduire dans les faits un certain nombre d'orientations que Monsieur Trudeau et moi-même avons donné à nos deux délégations.

Voilà les quelques remarques introductives que je voulais faire. Je suis très sensible à l'accueil que j'ai reçu du Premier ministre, Monsieur Trudeau, du gouvernement fédéral et d'Ottawa et j'espère que mon séjour au Canada contribuera à l'intensification, à l'approfondissement des relations entre nos deux pays.

DANIEL SEGUIN (LE FIGARO): Ma question s'adresse à Monsieur Trudeau.

Nous aimerions savoir dans quelle mesure le développement des relations économiques avec la France pourrait être subordonné à l'attitude du gouvernement français à l'égard du Québec.

M. TRUDEAU: C'est une question hypothétique. Pour le moment, les relations du gouvernement du Canada avec la France sont excellentes, comme nous venons de le dire, le Premier ministre Barre et moi-même. Il s'agit surtout de briser de vieilles habitudes, des habitudes chez les hommes d'affaires, des habitudes souvent chez les fonctionnaires des gouvernements qui ont leurs marchés favoris, leurs contacts établis, etc. Il est certain que si les relations entre la France et le Canada étaient mauvaises, il serait moins facile de briser ces habitudes.

Il y a une chose, dans les affaires ou dans la vie, qui s'appelle la cote d'amour. La cote d'amour, il faut bien le dire, chez les hommes d'affaires c'est surtout avec les Etats-Unis. Alors, ça prend une

opération d'intelligence et aussi de charme pour que cette cote d'amour se déplace un peu vers l'Europe en général, la France en particulier, mais j'ai toujours trouvé mes interlocuteurs français extraordinairement charmants.

CAROL MACIVOR (CBC): Prime Minister Trudeau how real a possibility is a reimposition of wage and price controls with the current trends that we have seen in wage settlements in the last few months?

PRIME MINISTER TRUDEAU: I will deal with this but it seems to me that it doesn't have much to do with this particular visit and it might be a bit unfair to some of the press who are interested in this visit but very briefly it is important that Canadians understand that an inflationary spiral could be caused if expectations in Canada continue to rise or begin to rise too rapidly.

On average and on balance there has been a very commendable show of restraint by all wage earners in the past three years in the sense that overall the average of settlements has been reduced from a very high level to something in the area of six to seven per cent.

Now we always pointed out that there would be a danger of a bubble coming after the period of de-control. We haven't seen that bubble yet but we have to be very wary of it and ensure that there are no excessive settlements which would begin to set off trends of high settlements and bring us back to double digit inflation.

ALAIN DE PENANSTER (L'EXPRESS): Une question à Monsieur Trudeau.

A votre avis, où se termine la non-ingérence et où commence la non-indifférence?

M. TRUDEAU: Vous me posez une question qui ne peut trouver de réponse que dans les faits. Les mots, vous les connaissez comme moi! Non-ingérence, non-indifférence est une politique que

non seulement nous acceptons mais que nous souhaitons. Comme francophone canadien, je suis heureux de voir que la France n'est pas indifférente vis-à-vis le fait français au Canada, et le gouvernement central comme les gouvernements successifs dans la province de Québec a longtemps regretté une indifférence de la France vis-à-vis le fait français en Amérique. Ça remonte peut-être à des générations passées mais c'est une réalité historique et que la France affirme maintenant qu'elle n'est pas indifférente au sort de cette communauté la plus large, paraît-il, en dehors de la France, cette communauté francophone, nous en sommes réjouis. Toute la politique canadienne depuis certainement... mon prédécesseur, Monsieur Pearson, et moi-même, veut et cherche à affirmer la réalité d'un pays bilingue et multiculturel. Notre politique des langues officielles, nos pressions sur la Constitution tendent toutes à enchâsser, à renforcer le fait français au Canada, à le protéger contre la réalité démographique de quelque 250 millions d'anglophones sur le continent. Alors, cette non-indifférence non seulement elle est bienvenue mais nous l'accueillons et dans le contexte justement de cette non-indifférence, nous sommes assurés, par ce qui a été annoncé tout à l'heure, nous sommes assurés que cette non-indifférence était interprétée comme non seulement non-indifférence vis-à-vis les francophones du Québec mais vis-à-vis les francophones du reste du Canada, qu'ils soient en Acadie ou dans l'Ouest ou dans les provinces maritimes.

Pour ce qui est de la non-ingérence, non-interférence, c'est une question de faits, encore une fois, de savoir comment réussir ce difficile équilibre, de vouloir s'occuper de la réalité intérieure canadienne, donc de s'ingérer dans un certain sens dans nos politiques et comment empêcher que cette ingérence ne devienne nuisible et répréhensible. Et là encore une fois, je peux simplement dire que pour autant que l'ingérence soit dans le sens des politiques voulues par les Canadiens, elle est bienvenue. Ce n'est plus une ingérence à ce moment-là, c'est une collaboration. A quel moment est-ce que cette action devient répréhensible, devient effectivement une ingérence, ça devient une question hypothétique et nous n'envisageons pas à la voir dans la réalité.



JACK BEST (CANADA WORLD NEWS): Mr. Barre in connection with your government's policy of non-indifference to Quebec's aspirations, I wonder if you could say specifically whether this excludes or includes any kind of intervention in support of the political aspirations of the Quebec Separatists?

M. BARRE: Je crois que la définition de la non-ingérence et de la non-indifférence relève davantage d'une compréhension mutuelle que de définitions cartésiennes qui fixeraient une fois pour toutes les limites à respecter ou les limites à ne pas franchir. La non-ingérence signifie que la France ne se mêle pas des affaires intérieures du Canada comme elle ne se mêle pas des affaires intérieures de tout pays avec lequel elle entretient des relations, à plus forte raison lorsqu'il s'agit de relations établies par l'histoire et qui sont marquées à l'heure actuelle par l'amitié et la participation à une même conception des choses sur le plan international dans le plus grand nombre de domaines.

L'avenir des Canadiens est entre les mains des Canadiens, l'avenir des Canadiens ne dépend pas de ce que veut tel ou tel pays ou de ce que veulent tel groupe ou tel autre groupe de pays.

En ce qui concerne la non-indifférence, je voudrais confirmer que la France ne peut marquer de l'indifférence à l'égard d'aucune communauté francophone dans le monde, à plus forte raison d'aucune communauté francophone au Canada. La plus importante de ces communautés francophones est le Québec. Il est bien normal que puisque cette communauté demande à la France une coopération qui lui permette de maintenir sa vitalité et de souligner sa volonté à l'égard de l'avenir, il n'y a aucune raison que la France s'y refuse et je ne crois pas que la coopération établie avec le Québec, que nous pouvons définir, comme l'a fait le président de la République, par des liens directs et fraternels, puisse de quelque façon porter atteinte au respect que nous avons de l'état canadien et de sa... comment dirais-je? Il est très important de trouver les mots précis! ...du respect que nous avons de l'état canadien et des fonctions qu'il assume du fait de la volonté des Canadiens.

RENE GONZALES (LE PARISIEN LIBERE): Ma question s'adresse à messieurs les Premiers ministres.

Les échanges commerciaux entre les deux pays ne représentent que un pour cent de leur commerce extérieur. C'est peu, il faut le reconnaître. Est-ce qu'on peut espérer qu'après la visite de Monsieur Barre à Ottawa ces échanges vont connaître un nouvel essor?

M. TRUDEAU: C'est parce que nous l'espérons précisément que nous avons exprimé de part et d'autre notre satisfaction devant ces discussions qui ont lieu depuis deux jours, mais ça demeure un espoir et il faut travailler à la réalisation de cet espoir. Vous avez raison, les chiffres sont minimes par rapport au potentiel réel et nous sommes convaincus que sans la volonté politique exprimée par les deux gouvernements et ensuite poursuivie dans les commissions mixtes dont il y aura une réunion comme le disait le premier ministre Barre au mois de mai, il est sûr que cet espoir risque d'être déçu à cause des habitudes de commerce dont j'ai parlé tout-à-l'heure, mais pour que l'espoir se réalise, il faut y travailler et c'est notre propos.

M. BARRE: Je crois qu'il y a deux éléments dont il faut tenir compte. Le premier est un élément structurel qui ne se modifie pas du jour au lendemain. C'est le fait que le commerce canadien a été depuis des décennies orienté vers son puissant voisin, les Etats-Unis d'Amérique. Monsieur Trudeau m'a indiqué quelle était la volonté du gouvernement canadien de procéder depuis quelques années à une diversification de ces échanges et, notamment, d'intensifier les échanges qui peuvent s'effectuer entre le Canada, les pays européens dont la France et d'autres pays situés dans d'autres régions du monde mais cela ne se fait pas du jour au lendemain. Non seulement il y faut une volonté politique mais il faut que cette volonté politique soit soutenue par la volonté de ceux qui pratiquent ces échanges et qui, à égalité des conditions de concurrence, portent leur choix



sur d'autres partenaires que ceux qui ont été les partenaires traditionnels. Je voudrais d'autre part souligner que le commerce n'est pas à l'heure actuelle indépendant des investissements qui ont été réalisés dans un pays et qu'en ce qui concerne le Canada la part considérable des investissements directs des Etats-Unis est un facteur qui oriente les échanges principalement dans le sens des Etats-Unis. Ce qui est important, c'est donc une volonté de diversification qui s'inscrira progressivement dans les faits. Ne pratiquons pas l'illusion de penser que tout cela se change par un coup de baguette magique.

La deuxième raison qui fait que les échanges franco-canadiens ne sont pas encore à la mesure de nos possibilités, c'est que depuis quelques années la situation économique générale n'a pas été favorable au développement des échanges internationaux et que la stagnation ou le ralentissement de l'activité économique mondiale depuis la crise de l'énergie n'a pas permis à nos échanges de se développer aussi rapidement qu'ils auraient pu le faire. Par conséquent, il faut que sur la longue période, car c'est une affaire qui va se réaliser au cours des prochaines années, la volonté politique puisse être soutenue par la volonté des partenaires économiques des deux côtés de l'Atlantique et puisse être favorisée par un climat économique plus favorable.

M. TRUDEAU: J'allais seulement ajouter, Monsieur le Premier ministre, qu'à cause de ces réalités, ces traditions auxquelles vous et moi avons fait allusion nous avons cherché des moyens de rompre un peu avec le passé et nous avons concentré notre attention, nous avons dirigé nos efforts surtout dans des secteurs nouveaux, c'est-à-dire là où l'histoire n'avait pas donné un avantage traditionnel aux relations américano-canadiennes et c'est pourquoi dans les projets auxquels nous nous intéressons essentiellement comme gouvernement, il s'agit de secteurs nouveaux, d'industries de pointe dans des secteurs nouveaux. On parle de gaz de l'Arctique, on parle de liquéfaction du gaz, on parle de transport par méthaniers, on parle également de brise-glace nucléaire, nous parlons du domaine des communications et de l'informatique; ce

sont des domaines nouveaux et nous voulons saisir le moment pour établir dès maintenant des relations plus intenses avec des pays différents. Il est certain que dans le domaine des industries du siècle passé, nous aurions une grosse côte à remonter pour établir des liens nouveaux mais si nous sommes, comme je le pense, au début d'une ère nouvelle, une troisième révolution industrielle, nous pourrons, celle-là, tenter de la faire ensemble et c'est dans ce sens-là qu'il faut interpréter les efforts précis du gouvernement français et du gouvernement canadien.

ROBERT LEWIS (MACLEAN'S): Prime Minister Barre, I have a question again on the celebrated phrase "non-interference, non-indifference" I am wondering if you could tell me whether this means that France is neutral on the question of the possible breakup of Canada or neutral on the possible independence of Quebec?

There may be a number of Federalists and a number of Independantistes who might wonder now at this point what sort of a friend do we have in France?

M. BARRE: Puisque cette question semble retenir essentiellement l'attention, je citerai simplement ce qu'a dit le président de la République française, Monsieur Valérie Giscard d'Estaing, le 3 novembre 1977, et il l'a dit au premier ministre du Québec: "Comment assurer la sauvegarde et l'affirmation d'une personnalité québécoise qui s'affirme partout, qui est également attachée à remonter aux sources de sa tradition, à s'ouvrir aux courants de la civilisation moderne, également soucieuse de son identité française et de sa dimension américaine. Comment assurer la sauvegarde et l'affirmation de cette personnalité québécoise. Cette question est au centre de votre débat politique. Je n'ai pas besoin de vous dire que ce débat ne laisse pas la France indifférente mais il ne lui appartient pas d'y intervenir, ce ne serait conforme ni à votre volonté ni à votre dignité, vous déterminerez vous-mêmes sans ingérence les chemins de votre

avenir, vous en avez le droit et vous en avez la capacité. Ce que vous attendez de la France, c'est sa compréhension, sa confiance et son appui, vous pouvez compter qu'ils ne vous manqueront pas le long de la route que vous déciderez de suivre."

Je crois que ce texte est suffisamment clair pour définir la conception française de la non-ingérence et de non-indifférence. Il s'agit simplement d'en méditer les termes sans exégèse assortie d'arrière-pensées.

PIERRE DIETCH (A.F.P.): Les obstacles à un éventuel sommet francophone ont-ils été levés à l'issue de cette visite?

M. TRUDEAU: A qui vous adressez la question?

M. BARRE: A moi?

Nous comprenons très bien l'intérêt qu'il y a à réunir une conférence francophone qui est le souhait du Premier ministre du Canada et le souhait de certains chefs d'états africains et notamment du président Senghor, nous poursuivons nos conversations à ce sujet et nous espérons que les obstacles qui jusqu'ici n'ont pas permis de tenir cette conférence pourront être levés.

CLAUDE TURCOTTE (LE DEVOIR): J'adresse ma question au premier ministre Barre.

Il y a déjà une entente ou un accord avec le Québec qui a été convenu lors de la dernière visite de Monsieur Levesque à Paris concernant des échanges au niveau des premiers ministres. Il fut convenu qu'une année le premier ministre du Québec irait en France et l'année suivante, vice versa.

Est-ce qu'une telle possibilité d'échanges a été discutée avec Monsieur Trudeau? Est-ce que vous considérez qu'une telle visite pourrait être aussi utile avec le premier ministre du Canada?

M. BARRE: Nous n'avons pas discuté cette question, Monsieur Trudeau et moi, pour la bonne raison que les occasions ne manquent pas de rencontres entre les représentants de la France et les représentants du Canada, notamment les contacts que le président



de la République française et moi-même nous pouvons avoir avec Monsieur Trudeau sont des contacts fréquents qui tiennent au rôle du Canada dans les affaires internationales.

Pour ce qui concerne l'échange de premiers ministres entre la France et le Québec, il ne faut pas chercher des raisons qui dépassent la simple réalité. On ne peut pas ignorer le fait qu'il y a plus de 6 millions de francophones au Québec. On ne peut pas ignorer le fait que le Québec souhaite avoir une coopération active avec la France dans un certain nombre de domaines. On ne peut pas ignorer le fait que la France longtemps indifférente, comme l'a rappelé Monsieur Trudeau, ne fait plus preuve de cette indifférence et que, par conséquent, elle entend mener avec le Québec une coopération active. Ceci explique donc que pour concevoir et pour mettre en application cette coopération active, les Premiers ministres du Québec et de France puissent annuellement se rencontrer. Il y a quand même une dimension du phénomène qui ne doit pas échapper et qui peut très largement expliquer et justifier les contacts à un certain niveau qui s'établissent. Cela ne veut pas dire que l'on exclue la considération qui doit nécessairement être portée au Premier ministre du Canada; je ne pense pas que Monsieur Trudeau ait trouvé dans mon comportement la moindre atteinte à cette considération.

PASCALE AMAUDRIC (A.C.P.): A Monsieur Trudeau.

Quel a été l'objet principal de votre premier entretien en tête-à-tête avec le Premier ministre français?

M. TRUDEAU: Ce tête-à-tête a commencé dans la voiture qui nous ramenait de l'aéroport, cela a continué pendant une heure chez moi avant que nous voyions au déjeuner les Premiers ministres provinciaux et il serait assez facile d'établir les sujets que nous avons discuté.

D'abord, nous avons parlé un peu de la réalité internationale actuelle pour venir vite aux problèmes de l'Europe et notamment de la France dans cette Europe. J'ai expliqué au Premier ministre l'importance pour le Canada de diversifier, comme il l'a rappelé tout-à-l'heure, nos relations

commerciales et nos relations simples, nos relations de tourisme, de voyage, d'intérêts, de culture pour que nous ne soyons pas absorbés dans la macrocosme américain et cela s'appelle chez nous la troisième option. J'ai expliqué cette réalité et pour qu'elle fonctionne efficacement cette politique doit trouver son pendant en Europe. C'est pourquoi nous avons développé avec la Communauté le lien contractuel. Nous avons parlé beaucoup de cela, donc de la réalité française, j'ai interrogé le premier ministre beaucoup sur sa politique d'économie libérale ensuite nous avons parlé du Canada et, pour ma part, je me suis assuré du côté de mon collègue français qu'il avait une compréhension de nos politiques et ça me paraît l'évidence même qu'il en avait une mais je lui en ai parlé, la gageure que nous, francophones canadiens, avons accepté en optant pour le fédéralisme, c'est-à-dire pour le pari canadien. Je ne lui ai pas caché les difficultés que nous avons comme groupe minoritaire en Amérique certainement et même au Canada de nous affirmer sur le plan continental mais je lui ai donné les raisons pourquoi cette gageure était faite, pourquoi nous, francophones, au niveau des hommes politiques, au niveau des hauts fonctionnaires, au niveau de la bureaucratie, au niveau de nos sociétés de la Couronne, comme Radio-Canada, comme l'Office du Film, etc., nous avons mis l'accent sur une politique d'égalité linguistique entre l'anglais et le français et à cela aussi se rattachent nos démarches dans le domaine de l'éducation et, notamment, des lycées. Ce que j'ai expliqué essentiellement au Premier ministre, et je ne pense pas qu'il avait besoin de l'entendre encore une fois mais pour plus de sûreté je lui ai dit, parce qu'il l'indique par ses réponses et même dans le choix de son vocabulaire, qu'il est très sensible à la réalité canadienne et à la réalité québécoise mais pour vous, de la presse, surtout de la presse non canadienne, il faut comprendre que ce que nous cherchons à tout prix à éviter c'est qu'il existe au Canada deux communautés linguistiques mais aux barrières étanches entre elles. Nous ne



voulons pas d'un Québec qui soit uniquement francophone pas plus que nous voulons d'un Canada dans les autres provinces qui soit uniquement anglophone parce que nous croyons qu'inexorablement cette sorte de création dans les faits de deux nations d'abord au sens linguistique et culturel pousserait inévitablement vers l'existence de deux nations au niveau politique, c'est-à-dire de deux états distincts, qu'ils soient reliés ou non par des accords,

c'est une autre question. Donc, il est fondamental pour les francophones qui ont fait l'option canadienne, que cette réalité du bilinguisme s'affirme dans l'ensemble des services du gouvernement fédéral et dans ces régions du Canada où il y a une forte minorité soit francophone dans les autres provinces, soit anglophone au Québec. Alors, ceci dit, nous avons passé au déjeuner où les Premiers ministres des autres provinces ont exprimé au Premier ministre Barre leur conception à eux du Canada qui, sur le plan dont je viens de parler, est partagée puisque nous avons là des Premiers ministres qui ont accepté une réforme constitutionnelle qui les obligerait, eux, gouvernements provinciaux, à donner l'éducation en français là où il y a des minorités, c'est-à-dire le Premier ministre Davis de l'Ontario, le premier ministre Blakeney de la Saskatchewan, le Premier ministre Hatfield du Nouveau-Brunswick et on peut ajouter aussi, ils n'étaient pas là, mais deux autres provinces, l'Ile du Prince Edouard et Terre-Neuve.

Autant dire cinq provinces qui disent: "Eh bien, nous, nous sommes prêtes à nous engager constitutionnellement à protéger la réalité francophone." Cela, non seulement c'est extrêmement important pour nous mais je crois fondamentalement que la sorte de Canada pluraliste que nous voulons bâtir ne se bâtira pas sans cette réalité là. Donc, nous sommes contents de la non-indifférence, qui, comme vient de le dire le premier ministre Barre, s'applique indifféremment, si je peux dire, aux francophones du Québec et ceux d'ailleurs.

M. BARRE: Pour que l'on ne dise pas que seul

Monsieur Trudeau a répondu à cette question, que le premier ministre français n'a rien dit, je voudrais dire qu'en ce qui me concerne j'ai d'abord écouté ce que Monsieur Trudeau m'a dit, qu'en second lieu il a écouté ce que je lui ai dit, ce que je lui ai dit de la politique française sur le plan international, ce que je lui ai dit de la politique française en Europe, ce que je lui ai dit de la politique française en France et j'ai pris connaissance avec beaucoup d'intérêt des explications que Monsieur Trudeau a voulu me donner de la politique du Canada, de la troisième option, des aspects intérieurs de la réalité canadienne et je me félicite des entretiens que j'ai pu avoir avec les trois premiers ministres de provinces qui assistaient au repas que m'a offert Monsieur Trudeau et qui m'ont fait apparaître une volonté très nette de la part de ces premiers ministres de répondre aux aspirations des communautés francophones qui se trouvent dans leurs provinces. Il est clair en effet que la France n'ignore pas les autres communautés francophones, je pense par exemple aux Acadiens dont nous parlait le gouverneur du Nouveau-Brunswick, et aux 500,000 francophones qui se trouvent dans la province de l'Ontario et ce n'est pas parce que ces communautés sont relativement faibles que nous nous désintéresserons d'elles. Quand Monsieur Trudeau a évoqué tout-à-l'heure l'ouverture du dossier des conditions de l'enseignement du français, de la création éventuelle de lycées appelés à donner un enseignement en français, ceci est bien la preuve que des aspirations s'expriment et qu'elles doivent être satisfaites et j'ai d'ailleurs fait observer que ce qui s'était passé au Québec, c'est-à-dire la prise de conscience d'un fait français qui allait au-delà de l'existence d'une communauté mais qui cherchait à sauvegarder une culture avait eu des effets favorables sur la francophonie puisque l'on voyait maintenant non seulement des communautés françaises, francophones exprimer leurs aspirations mais même, ainsi que me l'ont exprimé plusieurs premiers ministres, des jeunes anglophones s'intéresser à acquérir une culture française.

Voilà ce que nous avons dit et, pour ne rien vous cacher non plus, lorsque des premiers ministres se rencontrent, ils parlent des problèmes auxquels ils ont à faire face dans chacun de leur pays respectifs et ils aboutissent à la même conclusion, c'est qu'un premier ministre vit toujours avec des problèmes.

Released:  
8.00 PM

TERRY WILLS (Toronto Star): Mr. Prime Minister, I am wondering if during the campaign you are going to be spelling out your Party's policy on inflation and if I could elaborate on that: in the Fall of 1975 when inflation was running at 10.5 per cent, that was considered an emergency under the Constitution requiring the very serious step of imposing controls. It is now running at 8.9 per cent and you say you are not considering imposing controls so we are 1.6 percentage points shy of an emergency.

What I am wondering is, in the campaign, are you going to spell out at what level inflation becomes an emergency and what steps your Party would take, if it forms the Government, to handle that problem?

A. I suppose you understand why we introduced the notion of emergencies, because the Federal Government doesn't have the Constitutional legal powers to roll back and to control incomes and prices under the Constitution. The Provinces have jurisdiction over about 85 per cent of the labour force and probably a higher percentage of contracts of buying and selling and setting prices in the country; so that is why we talk of an emergency. Now what is an emergency? It is something that the Courts will decide after a piece of legislation is brought before them. There is no magic number of ten or of nine or of eleven. The reason why we said it was an emergency and probably the reason why the Courts supported us wasn't merely because the inflation was running around 10.8 or whatever it was. It is because there were obviously visible signs of accelerating inflation much beyond ten and eleven. And you will recall the settlements in the early part of that year were on an average of 22 per cent. And the cause of inflation, when it is domestically generated, is the expectation that there will be increasingly high prices which have to be covered by increasingly high settlements which lead to increasingly high prices and so on. You get into the twenties and thirty per cent inflation rates. So when we made that decision it was based on empirical evidence, which is still around for you to examine, of very, very high inflationary expectations for the future, not



for the past so we said "well this is a time when we believe that the Canadian people would agree that there is a very grave danger" and this was supported by the fact that the ten provinces at the Premiers' Conference in August of '75 did what they had done in the Premiers' Conference in August of '74, saying <sup>that</sup> inflation is getting out of control, <sup>and that</sup> the Federal Government should do something about it. When they knew that under the law in normal times it is the provinces which have jurisdiction, I repeat, over 85 per cent of the labour force and probably over 85 to 90 per cent of private contracts setting prices. So in these circumstances we felt, supported by the provinces having asked us repeatedly to do something, it could only mean: do something legal. And we brought in controls.

Now will this situation repeat itself again? I don't know but certainly we anticipated the Constitutional difficulty as recently as last month when in meeting the First Ministers on Constitutional matters I pointed out to them that in our list for Constitutional amendments -- they had given us a lot of lists, you will recall, of powers that should be changed and handed over to the provinces... we also want in this Constitutional debate to look at the problem of Federal powers to act in <sup>certain</sup> cases and I mentioned very high unemployment, high inflation and <sup>the protection of</sup> the dollar, powers which we don't certainly have with any completeness under the present Constitutional arrangements.

Now if you are asking me what are we going to do when you are worried about a renewed spurt of inflation, we do know that we can't bring in controls without it being recognized as an action under peace, order and good government which the Courts traditionally interpret as being callable when there is something of very grave national importance. Does that answer your question?

TERRY WILLS (Toronto Star): If I can be permitted a supplementary. At that Conference you said you wanted this power if there was high inflation. Now will there be a measure



that you will spell out when we reach high inflation? Are you going to say only if wage demands become 22 to 25 per cent again, or are you going to say if inflation reaches 10.5 per cent again that you will resort to controls?

A. No. I am not giving any absolute figure now for the very simple reason, as I have said in the campaign in '74 and in '75 when I brought in controls, there are two causes for the high cost of living. We could have C.P.I. figures going up at 12 and 13 per cent and still there wouldn't be an inflationary threat... if the expectations were not that these figures would keep accelerating in a spiral. Let me explain that. When the high cost of living is caused from something happening outside -- supposing we didn't have any oil and that overnight we had to pay four times more for our oil than we had and this happened to Japan and it happened to a lot of countries... Japan incidentally went up to 25 per cent inflationary rate. This didn't mean perhaps it was an emergency situation. It meant that there was a high cost of living caused from events outside the country and the country would have to adjust as best it <sup>could</sup> within its Constitutional framework. So if this happens, if we should go to double digit inflation it would be very worrisome but if it is caused by the fact that everything we buy abroad, including energy, has quadrupled and quintupled in prices -- but if the expectations in Canada are reasonable and, this once again once again happened in Japan.. they had this very high cost input but instead of panicking and say "gee if inflation -- if C.P.I. is up at an increase of 25 per cent therefore we will ask for profits at 35 and wage settlements at 45" and so on -- on the contrary through a kind of internal discipline and what is called voluntary restraints and some institutional measures they managed to bring down this high rate of inflation rather than re-act to it. So Government is there to make this particular judgement. Is a C.P.I. figure at this time in this context, is it one likely to lead to a

great emergency or not? What I am saying is that the Federal Government has to exercise that judgement. Under the present state of the Constitution that judgement can only be exercised if it is defined as action under Peace, Order and good Government permitting to embark in provincial spheres of jurisdiction, spheres of jurisdiction which are provincial in normal times and permit the Federal Government to invoke controls.

Now under the Constitutional amendment I would like to see or at least I would like to discuss would be to make some kind of an arrangement with the provinces that at a certain state of the economy the Federal Government would be able to exercise controls without having to go to the Supreme Court as we did last time, and go through all the legal discussions which ended up in the Court's saying yes the Federal Government indeed is right in usurping in a sense temporarily this provincial jurisdiction.

BRUCE PHILLIPS (CTV NEWS): Mr. Prime Minister my question arises from a statement that Mr. Stewart made in the House yesterday and I would like to ask you whether it was one of your purposes in getting into politics to move the country further to the left?

A. I have stated many times, in this room and out of this room, and I have stated it notably to the International Liberal Conference which was held in Canada a couple of years ago, three, I think, that I think the Liberal Party should be on the left but no further.

BRUCE PHILLIPS (CTV NEWS): Did you use those words or words roughly similar to those in a talk to the Ontario caucus?

A. I have no idea but if I said -- what are the words quoted there?

BRUCE PHILLIPS (CTV NEWS): He quotes you as having said "I came into politics to move this country further to the left and I have never abandoned that course". He had that in this letter to you yesterday as well?

A. I believe that this country should be moving -- this Party should be on the left but, I repeat, no further.

BRUCE PHILLIPS (CTV NEWS): You mean you are satisfied where it is and you are satisfied with its position ---

A. It depends. Is bringing in controls that we were discussing, is this a move to the left or to the right? Is our fear of legislation which says we don't want uncontrolled foreign domination of our economy, this is interventionism -- is this a move left or right? Ask Mr. Stewart. What do you think he would say?

BRUCE PHILLIPS (CTV NEWS): Well I am not trying to answer that question, Mr. Prime Minister ---

A. Well I am trying to tell you that these words have their meaning by judging the actions that a government has taken. I haven't yet nationalized the banks and I don't propose to and I don't think I have nationalized anything in this country so if this is Mr. Stewart's or the banks' fear of the Government going left, they don't have to worry but if they are concerned that I am going to give a great priority to social legislation in any action of this Government, I am not going to use restraints or anything else, to hit the poor, then I am on the left.

BRUCE PHILLIPS (CTV NEWS): But you don't recall whether you used these words?

A. Well -- read them again?

BRUCE PHILLIPS (CTV NEWS): "I came into politics to move this country further to the left and I have never abandoned that course."

A. And what date was I saying that?

BRUCE PHILLIPS (CTV NEWS): Mr. Stewart said in the House yesterday that you said that early in 1976.

A. Well it was perhaps a good time when we should move a little bit further to the left early in '76 but, you know, what did I do last August when I reduced Government expenditures by some 2 to 3 billion dollars? Was I moving to the left or to the right?



CATHERINE BERGMAN: Monsieur le Premier Ministre, j'aimerais vous demander quels sont les projets de loi dont vous considérez qu'il est essentiel qu'ils aient été passés avant de pouvoir vous lancer dans une campagne électorale et, en particulier, j'aimerais vous demander de commenter sur le bill... sur le référendum et celui sur les mesures d'urgence en matière d'énergie.

R. Eh bien, ces deux projets de loi, notamment, sont des projets de loi que j'estime extrêmement importants pour la gouverne d'un pays.

Dans le cas du référendum, j'ai donné la raison bien des fois; il s'agit d'avoir un outil dont on peut se servir si la situation constitutionnelle le demande, et je ne fais pas toutes les hypothèses que j'ai déjà expliquées sur le fait que le Québec s'est donné une loi du référendum et je voudrais que nous en ayons une aussi.

Pour ce qui est de l'énergie, mon raisonnement est un peu différent. Encore dans ma rencontre avec le Président Carter la semaine dernière, on s'est redit l'un à l'autre que effectivement nous étions dans une situation qui pourrait devenir périlleuse pour ce qui est de l'approvisionnement et des prix de l'énergie. Les événements en Iran l'ont prouvé

abondamment. Alors, pour cette raison-là aussi j'ai dit à mes députés qu'il y avait une grande priorité sur ces deux projets de loi. Il y en a d'autres aussi. Certainement les mesures de Monsieur Chrétien qui n'ont pas passé la Chambre sont également importantes. La loi des Banques est extrêmement importante, ou bien le prolongement de la loi actuelle ou bien une loi nouvelle qui est pourtant devant un comité depuis plusieurs mois. Pourquoi? Parce qu'en vertu de la loi actuelle, les banques cessent d'exister légalement à la fin de mars. Alors, ça aussi c'est urgent. Dans tout parlement qui doit être dissous il y a des projets de loi qui tombent le long de la route et,

inévitablement, quelle que soit la date de la dissolution, il y aura des projets de loi qui n'auront pas été passés et ça ne voudra pas dire que le gouvernement ne les considère pas comme urgents et nécessaires, mais ça voudra dire que l'élection est également urgente et nécessaire et que quand on voit que l'opposition s'obstine à parler, comme c'est le cas sur la loi du Référendum, ç'a été devant un comité de la Chambre tout le mois de février et c'est encore devant un comité de la Chambre, ils ont eu je ne sais pas combien d'heures de rencontres mais pendant plus d'un mois. Alors, à un moment donné, on ne peut plus attendre.

Alors, je ne peux pas garantir qu'aucun projet de loi en particulier sera passé avant une dissolution, mais je sais qu'il y en a plusieurs dont nous <sup>aurions</sup> besoin, si nous avions le choix.

Q. Si je peux me permettre une supplémentaire...

Cet outil que constitue le référendum, vous le considérez comme un élément essentiel de votre campagne.

R. Oui, mais également le projet de l'allocation des ressources d'énergie.

Autrement dit, tout est important. Autrement, nous ne l'aurions pas présenté devant la Chambre, mais je ne veux pas donner de garantie absolue qu'il n'y aura pas de dissolution avant que tous les projets de loi sur lesquels on me présente des questions n'aient été adoptés mais, je le dis sans équivoque, c'est un projet de loi que nous aurions aimé avoir d'ores et déjà, ce qui aurait peut-être permis une dissolution il y a quinze jours ou il y a une semaine ou il y a trois semaines. Sait-on jamais?



MARK PHILLIPS (CBC TV-NEWS): Mr. Prime Minister I would like to ask a couple of questions relating to the interview you gave yesterday and broadcast last night. In being questioned about the legal options available to you before calling a vote, what you said was "I may delay to the ultimate. I may go soon. I may do something in between." What in your mind is the ultimate?

A. The ultimate is what the Constitution would permit and generally it is said to be five years but then you get into the Constitutionals and the theorists who argue about dates. Is it very useful for me to speculate on that? Why don't we just say five years and that is what the Constitution says. Where you start counting those five years I suppose is a matter for debate. I don't think it is particularly important.

MARK PHILLIPS (CBC TV-NEWS): The question is related to the suspicion in some parts that you may delay even beyond this summer, which would be five years from the last election, and <sup>extend</sup> by the use of Constitutional, some would say loopholes, even into next spring or summer?

A. Well let's just say that I wouldn't contemplate doing anything even that could be suspected of being illegal or unconstitutional. It is silly to presume that I would. I mean I would probably be a fool in political terms to say nothing about what my reputation in front of my former law students would be.

IAN URQHART (Macleans): - Well on that same point, as I read Sections 20 and 50 of the Constitution, it is perfectly legal to delay an election until June, 1980. Would you consider delaying an election past this summer or indeed past this spring because you promised last Fall it would be this spring?

A. I haven't called it yet. I will call it within

the (I am choked with emotion).

A. I will call it within whatever legal obligations I have but, don't worry any speculation that I will go beyond my legal mandate is calumny , sheer calumny.

IAN URQHART (Macleans): Well with all due respect that wasn't the question. I didn't ask if you would go beyond your legal mandate. I asked if you would consider holding the election some date past this summer or past this spring?

A. Well I can promise you that when I call the election you will be among the first to know. I have never given you any more dates than that and I won't today.

IAN URQHART (Macleans): Well last Fall you gave us this spring.

A. I said probably in the spring.

CHARLES LYNCH (Southam News Services): Mr. Trudeau, for the first time since your separation, Mrs. Trudeau is being quoted around the world in terms critical of you. What is your reaction?

A. In terms of what?

CHARLES LYNCH (Southam News Services): In terms critical of you. This hasn't happened before on either side. What is your reaction to what you are reading not only in the Canadian papers but the papers all over the world?

A. Well I can't say I don't have any reaction but I will say I keep it to myself.

CHARLES LYNCH (Southam News Services): Do you think that this will have any bearing on your approach to the election campaign as it comes?

A. It won't have any bearing on my approach to it, no.

DOUGLAS FISHER (Toronto Sun): Mr. Trudeau, I have asked you this question a number of times since 1970. It relates to Mr. Turners statement at the time. You will remember it in the House that some day when the Canadian people can be told they will understand why we took these judgements and as

recently as three or four months ago when I raised that with you you gave me what has become a very firm and succinct answer to the effect that everything that is going to be known, that should be known, can be known, is known.

Now I accepted that but last week, Mr. Marchand gave a talk in Montreal and I wasn't there but I have the quotations from the papers and he indicated that the police, and he seemed to put the finger on the Montreal Police, did not give the true facts to the government and the government was operating without the true facts and that if the true facts were known the government would have operated somewhat differently. Now it seems to me that this may have opened up the thing. At last we are getting some kind of revelation that there is more there. Have you anything to comment? Anything different from the reply to my previous question?

A. No I don't. If Mr. Turner or Mr. Marchand want to reveal some facts of which I have no knowledge, please ask them. I say the basis on which I took my decision are facts that are known to everybody. If some Minister in his heart had something else and he didn't communicate it to me or it is not made public, I would encourage him to make it public. I haven't seen Mr. Marchand's speech but he and I are pretty much on the same wavelength on this and I am wondering if you are not referring to something he might have said as regards the facts that we didn't find that, in terms of internal subversion, we had much information from the police. Now if he is saying that and if he is saying something further, in terms of people that, under the administration of justice, the Province of Quebec was going to round up under the War Measures Act, we didn't know that they would round up as many as they did. As a matter of fact a couple of Ministers looked at some lists (and I am not making any revelation here because Pelletier wrote that in his book and sort of tried to cut down the list and said



don't, you know, you have got so and so on the list. That's silly. He or she is not a revolutionary.

DOUGLAS FISHER (Toronto Sun): I would just like to recall to you that at the time Mr. Marchand spoke more about the threats than any other Minister. He was the one who talked the most about loads of dynamite, about the fact there were radio controlled trucks around the place, he was the one who, with Jack Webster out in Vancouver as the crisis was ending, talked at great lengths about the alternative government plot.

Now I took from what he had said in Montreal that the true facts were not known, the police did not tell him the truth, that these kinds of things that he was telling at the time were not true and if he had known they were untrue at the time his behavior would have been different. All you are telling me is that as far as you are concerned this makes no sense to you?

A. Well once again I don't want to contradict what Marchand said. I haven't read his speech. I don't know if he alludes to Webster or the trucks in Montreal. I do know that the basis on which Cabinet reached its decision was the information that we communicated to the House, that we didn't know how many cells were out there, that we did know that there had been enough cells to, shall I go through it again, to cause more than one hundred derailments, kidnappings, assassinations, theft of arms, and raids on three arsenals and so on ---

DOUGLAS FISHER (Toronto Sun): You are telling me that to your knowledge you don't know what Marchand is talking about and that is fine. That is fine with me. I will go to him.

A. And go to Mr. Turner too and then perhaps we will not get this question again every two or three months.

DOUGLAS FISHER (Toronto Sun): Well it is a little difficult getting anything from Mr. Turner as you know.

A. Well he will write you.

JEFF CARRUTHERS : I hate to go back to energy ---

A. Please do. I am having so much fun.

JEFF CARRUTHERS

: Mr. Prime Minister you made a point of going down it seems to speak to Mr. Carter in particular about this Alaska Gas Pipeline that a lot of people are now suspecting may not be built or at least may not be possible to be built without some government assurance. What specifically did the President tell you that would give you any reason to be more confident that the pipeline will be built.

A. Well both because of what he said in that hour and a half and because of what Mr. Schlesinger said in the many more hours that I spent with him. They were very distressed. Just to give a concrete example, at an article in the Toronto Star I believe it was and they were mad. at the people who had talked to the Star Reporter (and they told me who they were) and said that the pipeline was a dead issue. They said they know that is false. It is against Federal Government policy. It is against our wishes. We want it to proceed. We need it to proceed. Any thinking which says it shouldn't proceed is short-sighted, improvident and wreckless and they were very, very firm about it.

As I say Mr. Carter in general and Mr. Schlesinger with great particulars and you know I don't hesitate to quote Mr. Schlesinger because he said, you know, I'll say whatever you want publicly if people have doubts about our intentions. He went further and he said you would be damn fools if you went ahead with the pre-build without having a guarantee that we would do the whole pipeline. We need the whole pipeline and there you are.

JEFF CARRUTHERS

: Well are you saying that the Canadian Government is still taking the U.S. Government's word. I mean they have been talking a lot but they have been doing very little in the last little while and in fact the Administration seems to be incapable of doing even the things they have said they are going to do.



A. Well I am not here to criticize Mr. Carter's government. They asked us to adopt certain legislation which would permit the building of the pipeline on Canadian soil. We did it. I think they are slightly embarrassed that, having asked us to do it quickly, now they haven't proceeded but they don't have our great parliamentary system here with a Monarch at the top. They have a Presidential Congressional system and Mr. Carter is not able to get out of Congress everything he would want and he did undertake in specific terms and he said this, I believe, at his press conference after, that he would make sure that the legislation involving the naming of the Inspector would be before Congress on the 1st of April or sooner.

JEFF CARRUTHERS: And what happens if the pipeline doesn't go ahead?

A. Well if I hadn't got that kind of guarantees from the Administration that they were serious, that they meant business, that they wanted to proceed with it, I suppose we would have to look at other options for ourselves rather than continue expecting that the pipeline will be built. We would think of other pipelines and the Quebec and the Maritimes pipelines, the Q & M Line, which is one which you will recall Mr. Gillespie explained in great detail in February of last year with those great charts he had and which I understand Mr. Clark is now getting interested in -- this is something that we would want to look at. Our great concern, and Mr. Gillespie's presentation was in fact that there was so many energy projects which called for massive spending, that we had to phase them in so that there wouldn't be bottlenecks and <sup>so</sup> that all the capital and all the technicians and all the pipes wouldn't be required at the same time and that is what we have been doing. We have the Foothills one there and now we are moving ahead on the Lower Churchill and we have done the first and the second studies on the Bay of Fundy and we have built the Sarnia Pipeline and

we said eventually we intended that gas would be moving through Quebec and into the Maritimes and we have the liquid natural gas project of Melville Island.

We have just signed an agreement with the French, that is Petro-Canada, that we don't want to abolish but Mr. Clark does, Petro-Canada has negotiated with the French a technological agreement for the process of liquifying so, you know, we are moving on all these various fronts.

If the Foothills are not going to move, then we will shift our attention and our resources to some other area.

AY LARIVIERE: Tout-à-l'heure en parlant de l'inflation vous avez laissé l'impression que la Cour Suprême avait été satisfaite qu'il y avait effectivement une situation d'urgence, du moins vous avez laissé l'impression. Si ma mémoire est correcte, la Cour Suprême, tout ce qu'elle a dit c'est qu'elle était satisfaite qu'il était légal pour le gouvernement fédéral de déclarer une urgence mais que c'était à l'exécutif de décider qu'est-ce qu'une urgence. Si ma mémoire est correcte sur ce point de vue-là, qu'est-ce qui fait une situation d'urgence au point de vue de l'inflation? Il y a énormément de gens au Canada qui commencent à penser qu'effectivement nous avons une situation d'urgence.

R. Votre mémoire est exacte, Mademoiselle, vous avez parfaitement raison et c'est pourquoi j'ai indiqué, en réponse à la question, que je voudrais moi-même que la Constitution soit plus claire et je voudrais qu'il y ait un amendement que j'ai d'ailleurs esquissé lorsque j'ai rencontré les premiers ministres au début de février, de savoir en quels cas le gouvernement fédéral pourrait agir pour enrayer l'inflation.

J'arrive au détail de votre question mais permettez-moi de répéter ce que j'ai dit en anglais tout-à-l'heure. Pour ce qui est des règlements inflationnistes dans le domaine, disons syndical ou des conventions collectives, tout le monde sait que 95% de la juridiction dans le domaine du travail relève des provinces et, donc, en temps normal, nous ne pouvons pas contrôler des poussées inflationnistes qui viendraient de là. Tout le monde sait que dans le domaine des règlements ou des prix établis par les gouvernements provinciaux, le gouvernement fédéral n'a pas de juridiction pour leur dire vous avez augmenté les prix de l'hydro ou d'autre chose et vous n'auriez pas dû. Et tout le monde sait également que dans le domaine des contrats, la fixation des prix dans le secteur privé, eh bien, ça relève du droit civil, c'est-à-dire des provinces.



Donc, le fédéral qu'on blâme toujours comme étant responsable pour enrayer l'inflation a très peu de juridiction pour le faire. Nous n'avons juridiction qu'en cas d'urgence, que lorsque la Constitution peut être invoquée en vertu de la paix, de l'ordre et du bon gouvernement, et on sait ce que ça veut dire: des mesures d'urgence.

La Cour Suprême, vous avez raison de le dire, a dit, eh bien, le gouvernement a déclaré que c'était urgent et en examinant les faits, en écoutant les témoignages, ça ne semble pas être une erreur.

Mais notez bien qu'il y a eu des juges qui n'ont pas dit ça; ce n'était pas un jugement unanime. Monsieur Betz que je respecte beaucoup, qui était un des juges dissidents, je ne sais pas s'il y en avait d'autres, je pense peut-être un autre, a dit, eh bien, non, moi, je ne suis pas d'accord avec cette législation parce que je doute que le gouvernement dans ses actions ait véritablement démontré urgence.

Alors, vous voyez que c'est une question qui a été débattue et sur laquelle les juges eux-mêmes n'ont pas été tout-à-fait d'accord, ce qui fait que le gouvernement doit prendre ses responsabilités. Comme je l'ai dit en anglais, encore une fois, nous l'avons fait la dernière fois à la suite de prières instantes de la part des dix provinces à deux conférences annuelles nous demandant instamment de faire quelque chose, ce qui était une façon pour elles de dire eh bien, nous supposons que vous en avez le pouvoir et cela n'est possible que quand il y a urgence.

A moins de répéter toute ma réponse, je ne peux dire que si c'est à 10% ou à 12% ou à 15%... Ca dépendra de la révolte des espérances qui découlera d'une situation donnée. J'ai donné l'exemple du Japon qui s'était rendu à 25 parce qu'ils n'ont pas d'énergie, ils doivent tout importer et les prix ont quadruplé en peu de temps, mais ils ont réussi à mte cette révolution des espérances<sup>de</sup> sorte que maintenant ils sont à un niveau inflationniste très bas.

Chez nous, c'était plutôt le contraire. Les chiffres n'étaient pas très élevés, c'était autour de 10 ou 11, mais il reste que les indices étaient extraordinairement clairs. La moyenne des règlements avait été de l'ordre de 22% dans la première moitié de '75 et on voyait tout de suite que les prix qui étaient déjà un peu trop hauts amenaient des demandes salariales qui étaient encore plus hautes, lesquelles demandes salariales amenaient des augmentations des prix, et caetera. On était dans la spirale inflationniste.

Q. Nous sommes d'accord que c'est l'exécutif qui décide si oui ou non on aura une situation d'urgence. J'aimerais savoir si...

R. Non, non, écoutez, là. Je vous ai dit que vous aviez raison dans la première question mais l'exécutif décide à l'intérieur de l'obligation de justifier devant la Cour qu'il a agi raisonnablement. Je vous ai expliqué que ce n'était pas un jugement arbitraire et, la preuve, c'est qu'on n'avait pas convaincu tous les juges.

Q. Oui, je comprends.

Mais je m'intéresse à l'amendement que vous avez proposé aux provinces. Est-ce que vous avez proposé aux provinces une sorte de décision collective en vue de l'imposition éventuelle de mesures à titre d'urgence, de mesures économiques ou est-ce que vous avez demandé aux provinces de vous laisser, au fédéral, le soin de décider quand le fédéral pourra utiliser ces pouvoirs?

R. Cette partie de la conférence était publique, je pense que vous pourrez retrouver ce que j'ai dit, et ce n'était pas très long. J'ai donné une liste des choses que nous voulions discuter. Nous voulions discuter de la possibilité d'avoir une juridiction fédérale sur des questions économiques qui, pour le moment, étaient ou bien partagées entre les



provinces et le gouvernement fédéral, et je n'ai pas proposé de texte précis. J'ai dit que c'était un problème. Vous nous parlez, vous les provinces, des pêcheries, des communications, de la culture, eh bien, nous vous parlons de l'inflation et du chômage et du dollar et il faudrait savoir si une Constitution vraiment moderne permettrait au gouvernement de prendre une action requise, que ce soit une action conjointe ou unilatérale ou après consultation, c'est à décider et à discuter.

PETER DESBARATS (Global TV): Mr. Prime Minister I understand that there was a meeting in Toronto this week among the television networks to work out a common proposal for a television debate during the campaign and I think some sort of proposal was worked out.

Can you say at this time that you are, in principle willing and perhaps even eager, to meet the other party leaders in a televised debate during the campaign?

A. I would say I am indifferent. I certainly wouldn't put an obstacle to it. I wouldn't brag about being eager about it. I have one recollection of television debates. That was in the '68 campaign and all of you, I think, agreed with me that it was the dulllest thing that ever happened and if we can't do any better than that I don't want to waste my time briefing myself for television debates; but if it is not beyond the ingenuity of whoever it is, the television people, to organize a debate which will be less dull than that one, well, I am in. If Arnie says I am in. I don't know. Where are you Arnie? I will do what he says.

JEFF SIMPSON (Globe and Mail): Mr. Prime Minister is it the Government's intention to reintroduce the Constitutional Reform Bill before the end of the session? If not --

A. The Constitutional Bill?

JEFF SIMPSON (Globe and Mail): A new Constitutional Reform Bill, "Son of Bill C-60" if you like, and if not what would be

your reasoning for not doing it and if you do introduce it will it deal with anything other than the Supreme Court and the Charter of Rights?

A. Well I can answer the last part of the question first. A "Son of C-60" would be essentially dealing with that area. I am not sure that we would go into very many other areas and it wouldn't be as long a Bill as C-60. And it certainly wouldn't deal with the Senate at this stage but as to whether it will in fact be introduced or not, really depends on how much longer we sit before the election comes.

JEFF SIMPSON (Globe and Mail): A supplementary. My information is that the actual drafting of the Bill is not a problem considering that so much ground work had been done before; that the actual preparation of the Bill is not a problem so that introducing such a Bill for First Reading from a technical point of view or drafting point of view isn't the problem. Therefore it leads me to the conclusion that it must be a political (and I don't mean that in a partisan way) but a Cabinet reason why the Bill isn't being introduced now or why it might not be introduced in say the next ten days if there are no drafting problems?

A. Well I can give you an answer to that. It is true that the drafting is very advanced. I have seen a rough draft of it myself just a couple of weeks ago. There are still many points on which Cabinet would have to sort of say well use this phrase rather than that even in the definition of the Rights and I can think of another example, in the Preamble -- to tell you quite frankly I want to leave the long Preamble we had in C-60 and go for a much shorter one and I have seen a draft of that but there are a few things like that that would still have to go to Cabinet but the reason why I wouldn't just introduce it and pull the plug is that if I introduced it, it is because I would want to debate on Constitutional matters and I would like to draw the opposition out on some of them and if we are around long enough maybe I will do that, but

at this stage, in answer to a question in french a few minutes ago, I indicated the other priorities we had and which we would want to debate and therefore to put that Bill in just so that it be torn apart by these who are against it, without having put any position on the records themselves, is something I wouldn't contemplate for political reasons.

STUART. LANGFORD (CBC) : Mr. Prime Minister with regard to the recent decision in the Treu case at the Court of Appeal Level in Quebec and with regard to the fact that the Worthington Preliminary Inquiry is coming up yet again next week, has the Government, in review of the Treu Decision given any consideration to withdrawing the charge against Worthington and Creighton and the Toronto Sun?

A. I know of -- certainly there is no such decision. I don't know if it is being considered. I am not even sure -- is it the Federal Attorney-General or the Provincial Attorney-General who is proceeding with the case. I don't know in whose hands it is.

STUART. LANGFORD (CBC) : It's Federal. It's Mr. Scollin.

A. Well, you know the police laid a charge and the Department of Justice looked at it and they said yes this charge should go forth and they are proceeding with it. They are not consulting me and I am not interfering in the process of justice.

STUART. LANGFORD (CBC): As far as you are concerned it is something which is beyond the realm of being studied by Cabinet or by Federal Justice officials at this point?

A. Well indeed it is. When the police make an inquiry and they report to Cabinet that there is no ground for prosecution we don't proceed but when they say there is grounds for prosecution we hand it over either to the Federal prosecutor, the Attorney-General of Canada or to the Attorney-General of the Province and we say look this is not a matter of politics or Cabinet decision -- you decide



if you want to prosecute or not.

STUART LANGFORD (CBC): I was just wondering about the Treu Decision and whether that would perhaps cause you and the Department of Justice to perhaps want to have another long look at the charge itself?

A. No response.

GEORGE RADWANSKI (Financial Times): Mr. Prime Minister you have said at several of these press conferences that you didn't call an election a while ago when it looked pretty clear that you would win if you did and that you had no intention of calling one at a time when it looked as if you would lose.

What is your reading of the present polls, both of the ones you are getting and the gallup, if you held an election now -- is it clear in your mind that you would win?

A. Well in my mind it looks as though we might win and we might lose. Not both together. One or the other. That is very difficult.

GEORGE RADWANSKI (Financial Times): A supplementary. Coming back to this question of an election by summer or not to your great delight, I am sure, setting aside the Constitutional aspect for the moment, I think it is fair to say that in the minds of the average layman five years would run from July of '74 to July of '79, say July 8th, and you said yourself that you would be a fool to do anything which even politically would look as if you are fooling around with the Constitution.

Are you prepared on that basis to give any kind of assurance that you do intend to hold the election on or by or before July 8th of this year?

A. I am really not looking so far ahead. I would normally want an election, what is it, Charles, June the 11th or --

CHARLES LYNCH (Southam News Services): 18th, Sir.

A. 18th? That <sup>looks</sup> like a good date to me. If I go beyond that I rather think I will have to worry about the political consequences but if Lynch says anytime in June is

good, then start asking me about the political risk I am taking if I don't pull the plug by the end of April.

GEORGE RADWANSKI (Financial Times): With respect you haven't answered the question, Mr. Prime Minister. Whether you are prepared to say that you won't go beyond July 8th of this year or not

A. With respect I have. I haven't given that undertaking, no.

CLAUDE TURCOTTE: Ma question porte sur le référendum.

Il y a quelques ministres de votre gouvernement qui ont déclaré ou insinué ou laissé entendre à quelques reprises que si le gouvernement à Québec ne tenait pas son référendum éventuellement que le gouvernement fédéral pourrait tenir le sien avant. La question que je me pose, je vous demande si mon hypothèse est farfelue ou pas, c'est ce que je vous demande, est-ce que c'est possible que le gouvernement décide de tenir un référendum en même temps que l'élection générale?

R. Si nous avons ce projet de loi dont parlait Mademoiselle Bergman tout-à-l'heure et que l'on jugeait qu'il y ait urgence, on pourrait se poser l'hypothèse. Pour le moment, l'hypothèse ne peut pas se poser parce que nous ne pouvons pas tenir le référendum.

Mais remarquez bien qu'en plus d'avoir cette loi-là qui n'est pas encore passée, il faudrait que nous ayons, en vertu de cette loi-là, que nous ayons aussi introduit, je pense que c'était une résolution dans la Chambre qui est débattable pendant quarante heures ou quelque chose comme ça. Alors, cette hypothèse-là, vous me demandez si c'était farfelu, je suis tenté de dire oui. Ce n'est pas farfelu mais dans le contexte actuel, c'est extraordinairement improbable.



TRANSCRIPTION DE LA CONFERENCE DE PRESSE DU PREMIER MINISTRE  
LE 27 MARS 1979 à 11h - OTTAWA

KEN LAWRENCE: Prime Minister no doubt there are going to be questions about your credibility during the campaign as to how people can believe you after in '74 you campaigned against controls and a year later brought them in. How are you going to answer that accusation?

A. I've given that answer many times and I give it again once more, hopefully you'll carry it and then we won't have to - I know I'll get it publicly, I don't suppose I should get it at every press conference.

The Tories campaigned for control and they voted against them when we got them. That's a terrible flip-flop. And then once we were into them they wanted us to get out of them. That's another flip-flop. We campaigned against controls, against more particularly the freeze followed by controls that the Tories were proposing in '74 because the cause of inflation at that time was essentially the very rapidly increased price of oil. Don't forget that in June '74 we were just within months after the - half a year after the OPEC crisis which had increased the price of oil some 400% and our argument was that controls in Canada - a freeze followed by controls in Canada - would not prevent the price of oil going up in the Middle East and, therefore, the price of oil that we were buying it at would increase regardless of controls.

So in that sense the increased cost of living

was caused essentially by external factors, petroleum prices for one, food prices, imported food prices, and Canadian food prices determined by world markets like wheat, because of floods in some part of the world and droughts in others. So we were arguing that there would be no possibility of controlling these prices or freezing them because they were imported prices and controls at that point were not only necessary but they wouldn't be effective, you couldn't zap the price of OPEC, they would continue going up as they did.

They just went up again this morning another 9% as you have seen and there is nothing we can do about that by imposing internal controls.

There leaked a paper during the campaign that the Tories and I believe some of the media made much of saying the Liberals have a contingency plan for controls and indeed we conceded that we had a contingency plan for controls, but we would bring controls in when they could be effective if they became necessary. But that they would not be effective at this time and therefore we would continue campaigning against them.

About a year-and-a-half later in the fall of '75 the cause of inflation had become domestic. Canadian economic decision makers, the employers, the employees, the landlords, the rent setters, they had all realized that because of the increase in OPEC prices, because of the fast increase of domestic prices there was a psychology of trying to get ahead of inflation. There was a determination on the part of many of the decision makers to anticipate even further an increased inflation so that we had, for instance in the first half of 1975, we had a situation where rents were going up as much as 20 and 30 per cent; we had unions bargaining for increases in the order of

20, 30, some 50 - I remember one about 80 or 90 percent increase in wages. The average settlements in the first half of 1975 were 22% and it was obvious that everybody in the economy in Canada was trying to anticipate a very high rate of inflation of the order of maybe 20% and that we were causing inflation in Canada by anticipating further increases. So at that time the cause of inflation was not something happening outside, it was something happening inside which we can control and which we could control. And that is when we brought in the controls - not a freeze as the Tories had asked for but controls.

You will recall that there had been meetings of the Provincial Premiers in August of 1975 and before that in August of 1970 or September 1974 saying that the Federal Government should do something about controls. Now when the Provinces say that you recall one of my answers was that they were admitting a certain amount of incapability on their part. Let me remind you that wages which come under collective bargaining, are 85% under provincial jurisdiction and therefore the normal place to exercise controls over prices and incomes is at the provincial level.

What I say about workers 85% under provincial jurisdiction is even truer if you look at the ordinary contract setting prices, buying and selling. Property and civil rights come under provincial jurisdiction so in normal times it's the Provinces who can control inflation. It's only when you get into an overall situation which reaches an emergency level that the Federal Government can have jurisdiction to intervene.

We felt that when we were having once again prospective inflations way up in the double digits in the sense that once



again we were having rental increases and wage increases in the 20's and 30's at that time we felt that the economy was being imperilled and we brought in legislation where we called the Provinces, had all the Premiers come to Ottawa and we discussed it and we brought in at that point controls and they were justified in the Supreme Court in those particular circumstances of emergency. So once again in normal times the Federal Government does not have the power to roll back or to freeze or anything like that - it can do it when there is an emergency. And it is doubtful whether the Courts in '74, let alone what we said, it is doubtful that they would have found that there was an emergency of a nature that the Federal Government could act on but one can't know, I mean that's a hypothetical question what the Courts would have said.

But it is certain that after the fall of '75 having brought in legislation the Courts judge it intra vires because then there was a real apprehended or real crisis to the economy.

If there are any supplementaries I'll deal with them gladly.

GEORGE RADWANSKI: Mr. Prime Minister you had to within call an election obviously some time / the next while but you've made it pretty clear all along that you would take your time and pick the moment when you thought you had the best chance of winning. Could you tell us what in your thinking made yesterday the best day rather than say a week earlier or a week later, two weeks later. What factors went into your thinking that this was the time to do it?

A.

Well the best time for me was a time when the issues were sufficiently defined for the people to have a clear choice. I certainly didn't want an election where everything was vague and hazy. I guess one reason is a very partisan one that we've been incumbents, the Liberals, for some 15 or 16 years and if there is no great issue then as I said before at one of these press conferences, the people would be inclined to give the others a chance. I felt that there were great issues but that they weren't sufficiently clear in the people's minds. Those issues have been clarified through this process of waiting, they've been clarified quite extensively I believe in the past several weeks just on the energy issue. By great coincidence all these issues seemed to happen at the same time. As I say you've learnt as I have this morning that the OPEC prices will be going up another 9% on the 1st of April and that will mean that the figure I was giving you last night of a 700% increase in some six years has now become 740% increase in some six years. It's obvious that energy is an issue which has been clearly defined, it's obvious that the Opposition's reactions to our supply - emergency supply legislation - that their reaction to our setting up of PetroCanada as a tool of the Canadian people to deal with the multinationals.

The legislation adopted by the Federal Government in order to deal with any situation which in my previous question, normally would be under provincial jurisdiction but in an emergency the Federal Government will be called upon to act that issue suddenly became clear. I feel that many of the other issues are also becoming clear. I mean six months ago



who would have dreamed that the Tories were going to advocate a larger deficit? Well they've done that now and we knew that they were promising some six billion dollars of election goodies but they hadn't quite admitted that this would lead into a larger deficit. Now they've done that and I think that people who have some sympathy with the Opposition when they complained about inflation and so on, they are now in a position to say, okay and what are the various parties doing about it?

Last August we announced very serious cutbacks in Federal expenditures, some two billion dollars of straight cuts and another billion in re-allocation. It took some time for people to understand that indeed we meant business and we talked about controlling Federal expenditures as a way to curtail, to combat inflation. They have a clear-cut issue now, they see that the Opposition Party wants to increase the deficit.

I think the position on constitutional matters, on linguistic matters, for instance, has been made clear by the Opposition Leader's non-statement in Montreal on what he was going to do to protect language rights of minorities, particularly in the education field. Our policy is known on that - the Bill of Rights including language rights.

In the general area of decentralization I think it's clear also that following the February Conference the Opposition Party is generally going along with the provincial view. After all Mr. Clark has promised provincial status to the Yukon which means presumably giving them jurisdiction over the natural resources. He's promised giving jurisdiction

on the off-shore resources to all the Provinces on the sea coast, whether East or West. We've taken a different view on these things. We said the benefits can and should go to the people but that the jurisdiction either should stay with the Federal Government as the Courts decided or should be left in limbo as we proposed to the Provincial Governments, and signed agreements with three of them about a year-and-a-half ago.

But all these things are coming to a head and I believe now that the people are going to have clear issues on which to choose and for me that's a good time to go to the people - when they realize that there are important choices. I could add the Tory attitude on the Referendum Bill is another example of that but then you wouldn't want me to start my campaign speeches now.

BILL CAMERON (City TV, Toronto): The results of the October By-Elections seem to indicate a fairly profound discontent with your Party in Toronto, at that point a critical area for you in this country. Do you have any evidence that the fortunes of your Party have improved since?

A. Well I know things can change if you take exactly 12 months earlier you would have seen that our fortunes in Toronto were very, very high. A year later they were quite low as you indicate. I just answered to Mr. Radwanski that many issues have been defined since last October and those issues are as important to the people of Toronto as any in Canada. Certainly the issue of energy is. And I would believe too the attitude that the next Federal Government will have to take before, during and after the Quebec Referendum is extremely important and I see that

even some of the Provincial Premiers are beginning to take positions on that.

We do know that the Tory Party has been opposing our Referendum legislation and this is something which hadn't happened last October.

I can only rely on the good judgment and political good sense of the people of Toronto and hope for the best.

CRAIG OLIVER: This is a related question. The pattern of the last few elections has been for the Government to lose support during the campaign. That doesn't sound very optimistic based on the Gallup at the moment if you end this election in worse shape according to the Gallup. I wonder how you feel you can turn that around - I mean what reasons you have for optimism across the whole country, not just in Toronto but based on the historical patterns?

A. Well I haven't studied historical patterns very much -- Well I should have thought that as a result of that your question was incorrect. It seems to me in '74 we picked up support, didn't we? I'm no expert --

CRAIG OLIVER: Not much I don't think.

A. Not much. We picked it up then?

CRAIG OLIVER: A point or two.

A. We can do with a point or two.

I'm not sure of the facts on that but - Gail?

GAIL MORRIS: Mr. Trudeau the unity theme seems to be your pet project and I was just wondering exactly how you intended to approach the whole question of national unity during the election campaign?

A. Well I don't think describing it as my pet project really gives it the importance that it should have during the campaign. I think somebody back there agrees with me.



If the people don't think that unity is an important question now I can only wring my hands. I obviously will be endeavouring to show to them that when we're having a Referendum in Quebec, held by a Separatist Government, whose aim is to break Canada in two, the problem of unity should be of concern to all Canadians. And that is one of the things that I hope will be discussed in this campaign and not only by Liberals. I hope that everybody will be forced by the electorate to state what their position will be on the problems of unity.

It's all very well to say that separatism is in power and it wasn't 10 years ago. What can we do to make sure that separatism doesn't happen. And in terms of either adjusting the basic rights of Canadians in this country, whether linguistic or economic or otherwise, in terms of guaranteeing certain rights again in the Constitution, in terms of making sure that the people of Quebec have a free and fair choice in the Referendum, what can we do? And of course we'll be talking about these but our voice won't be heard if people don't think that unity is an issue. We can't make it an issue. But it would seem to me that an outside observer would be appalled to realize that a Provincial Government of a Province as strong as that of Quebec can be elected and claim to want to break up Canada and the rest of Canadians will say well unity is not an issue - the economy yes, maybe energy, but unity is not an issue so what if one democratically-elected government wants to break up this country. It's a Liberal issue and therefore we don't want to discuss it. That seems to me would be an incredibly irresponsible position. Why is it a so-called Liberal issue? Unity should be everybody's issue. And when you describe it as my pet project you're really





est certain que le problème posé par l'existence au gouvernement du Québec d'un parti qui veut briser le Canada, séparer le Québec du Canada, il est certain que cela suppose de la part du reste des Canadiens et de beaucoup de Québécois eux-mêmes un désir pour un instrument qui permette de savoir vraiment la volonté de la population.

Je ne sais pas et personne ne sait quelle sorte de question sera posée au référendum québécois. Si la question est claire et nette, il est probable que nous n'aurons pas besoin d'un référendum fédéral pour vérifier les opinions de la population mais si c'est une question extraordinairement vague ou mal expliquée et mal comprise, comme c'est le cas de tout ce qui concerne la discussion de la souveraineté-association, des fois par Monsieur Lévesque, des fois par Monsieur Morin, des fois par d'autres, il est possible que nous ayons à consulter la population québécoise sur ce qu'elle veut vraiment: la séparation ou la continuation au sein d'un Canada fort, renouvelé, et cetera; mais je ne sais pas, ça dépendra. Tout ce que je sais, c'est que c'est important pour nous d'avoir cet instrument et c'est pourquoi je suis déçu que l'opposition ait maintenu ce projet de loi un mois entier devant le comité pour ne pas avoir à le passer et j'espère qu'un nouveau parlement s'empressera de passer un tel projet de loi pour que nous ayons, encore une fois, un instrument égal et peut-être plus démocratique que celui que s'est donné le parti québécois à la tête du gouvernement péquiste.

Q. Je me permets de revenir à la charge. Est-ce que ce sera un argument que vous invoquerez surtout au Québec ou surtout dans le reste du Canada?

R. Partout, dans toutes les parties du Canada. Certainement que dans le Québec, on le comprendra plus vite, j'aurai probablement moins à en parler. J'en parlerai certainement dans les autres provinces.

MARK PHILLIPS:

Mr. Trudeau this question relates both 1;

to the previous question and to the basic why now question.

You have said I don't know how many times in this room that one of your prime objectives legislatively was to get the Referendum Bill through and you described it in terms as you just have again in terms of the necessity to counter the PQ Referendum depending on what shape it takes. Now you've decided to pull the plug before getting that Referendum through. Are you in any way worried or if not why not, that a new government, whether it's yours or Mr. Clark's, or whatever form it might take would not have the weapon you have described in this room so many times as essential. Why take this risk now instead of bringing that Bill up in ways that you have brought other bills up in recent times?

A. Well of the two Bills which in recent months I said had high priority, and there were perhaps half a dozen of them, the two which I said were probably most urgent were as you say the Referendum Bill and the Emergency Supplies legislation for energy and I tried to get them both passed. You will recall that the Parliamentary Committees were asked a few months ago - a few weeks ago - to get them out of Committee as quickly as they possibly could. As I say a month in Committee in the case of the Referendum Bill and they did that and then we brought them into the House and I honestly hoped that in the past couple of weeks we would have had time to do third reading on both of those Bills. We have not. I am sorry but I did have to make a choice of which had the priority and I still think the priority had to be the Emergency Energy Supplies and I think the OPEC news this morning vindicates that judgment. We are probably going to be in for some difficult times in energy.

In the case of the Referendum Bill I think it's unlikely that Monsieur Levesque would have his Referendum before the fall. He has been postponing it as you know from year-to-

year and I have taken the gamble that we could still get the Federal Referendum Bill in the House in time to deal with the whole separation question without keeping this Parliament to pass it right now.

PAT NAGLE: Sir, still on the scheme of priorities.

Many times we were told that constitutional reform was a substantial priority of your Government. We have not seen anything -- As late as two weeks ago you were talking about the possibility of some legislation on constitutional reform. How is that going to affect your campaign. Are you distressed that you don't have a constitutional package as such that you can show the Canadian people?

A. No, I'm not distressed. If we had been able to get the Referendum Bill through as I say I would be relieved but I don't believe it can prevent us from campaigning and getting a mandate to put it through. On Bill C-60 I did tell you a few weeks ago that if Parliament were going to sit around several more months or quite a long time I would think it would have been useful to bring a renewed version of C-60 which you recall was the Constitutional Bill forward. But some elements have been dropped, the Senate for instance as you know, as the whole question of changing it has been referred to the Supreme Court. On the question of the Monarchy the Provinces and the Federal Government agreed in February that the best way to leave it unchanged is not to deal with it in C-60 which is a bit strange but since that is the will of the Provinces we're happy to go along with it.

So what remained essentially was the Bill of Rights including linguistic rights. Questions relating to the Supreme Court, the problem of patriation and certain number of other measures which under Section 91-1 can be adopted by the Federal



Government.

You will recall that the position of the Provinces last August at the Premiers' meeting in I believe it was Regina this year, said that we should not go ahead with anything without unanimous consent. We tried to get some unanimous consent in February and failed. If we were around in a new Parliament or had a lot of time ahead of us I believe we should go ahead with some of the elements of C-60. We are not around therefore, it will be something we will get a mandate from the people on to proceed with some elements of Bill C-60 and we will do it as soon as we can after the next election.

IAN ERKHART: Mr. Prime Minister I think it's fair to say in the last election campaign the press was restricted in its access to you. Will you make a commitment in this campaign to hold a bona fide full-scale press conference such as this at least once a week during the campaign?

A. No I won't make any commitment to have any particular schedule. I can't remember and therefore I can't contradict you how many press conferences I had in the last campaign - I know I had several. I can remember some in Winnipeg, I can remember some in Montreal, I can remember some in the Maritimes but I don't have any statistics and I don't know what my campaign schedule will be so I can't say how often I will have press conferences. I'm starting on the first day with one so that should reassure you.

PETER DESBARATS: Mr. Prime Minister every news story written about the election announcement last night mentioned the fact that the campaign was now going to coincide with the publication of Margaret Trudeau's book and that newspapers

across the country would be serializing this book during the early part of the campaign. Some associates of yours have said privately to us that this will be an extremely difficult personal aspect of the campaign for you. I am going to sure that you are/✓be asked about it as the campaign develops. Would you like to say anything about it now and would you also like to give us your ideas about the presence of your children in the campaign?

A. Yes I'd like to say something about it now. In the case of my children there's no question of them being in the campaign. If ever I'm flying to their grand parents or something and they're on the plane and you people try and sneak a few pictures, I hope you won't consider that I'm using them in the campaign. But they're not going to participate in the campaign nor did they in the one before. You recall that there was one child which was nursing at his mother's breast during the campaign and he was photographed I guess looking out of a train window or something. So much for the children.

As regards the book you're referring to, to me it's not an election issue. It is not a campaign issue and I won't be dealing with it.

JACK BEST: In a slightly different vein Prime Minister, the Soviet Union recently has been making a fair amount of fuss about the question of Western arms sales to Communist China. I wonder if you could say what you think Canada's policy on this should be and also whether you think that NATO should try to form a collective policy --

A. NATO should what?  
there

JACK BEST: Whether / should be a collective NATO



policy towards this question.

A. Well I can tell you what Canada's policy is. It is that we don't sell arms to either the Soviet Union or to China and we don't intend to. We certainly don't sell arms to areas of conflict or of tension and what with the recent events on the Vietnamese border that certainly would exclude any intention to sell arms had we any such intention. So much for our policy.

Insofar as other NATO countries are concerned well you know the uneasiness that some have with the decision of others to sell so-called defensive arms. There is no NATO policy on this. I doubt whether there is a War Pact Country policy on that but I don't know honestly. But there is no NATO policy on this and as far as I know none is being developed. It would be difficult to get some NATO countries not to sell arms the way they wish. We have had that experience before China came into the fold as it were. I remember certain NATO countries selling arms to South Africa or selling arms to other parts of the world where there were tensions and we didn't agree with it but there was no NATO policy and I doubt whether there will be any on this subject.

STEVE SCOTT: Have you offered Senate appointments to any M.P's or others in the last couple of weeks and will you be making any announcements of Senate appointments between now and the election?

A. There are going to be a series of appointments announced later in the day and you'll have to wait to see if there are any in the Senate. I have to refresh my memory in order to answer that question.

JEAN RIVARD

Q. Monsieur le Premier Ministre, ma question ressemble un peu à celle-là.

Adrien Lambert et Lionel Beaudoin nous ont dit qu'ils avaient été approchés ou que vous leur aviez parlé au sujet d'une nomination au Sénat qu'ils ont refusée.

Pouvez-vous nous confirmer que vous étiez intéressé, par exemple, à nommer Messieurs Beaudoin et Lambert au Sénat et peut-être nous donner la raison de leur refus?

R. C'est la première nouvelle que j'en ai. Sauf erreur, c'est moi qui recommande que les gens soient nommés au Sénat et je n'ai certainement pas recommandé que ces gens-là le soient ni autorisé personne à leur faire l'offre de ma<sup>part</sup>. Alors, je suis heureux de savoir qu'ils refusent par anticipation mais je suppose que vous aussi vous refusez au cas où je vous offrirais ça? Il y a peut-être dix mille personnes au Canada qui refuseraient cette nomination contre un autre dix mille qui l'accepteraient, mais dans le cas de ces deux messieurs, c'est la première nouvelle que j'aie qu'il ait été question de les mettre au Sénat.

GEOFFREY STEVENS: Prime Minister there seems to be a sense in the country that people are tired of your Government and would like to change it perhaps if they had a viable alternative. But on the other hand there is the feeling that they can't quite trust the Conservatives and they don't trust the capacity or competence of Joe Clark to be Prime Minister. I'd like to ask you for your view on Joe Clark and whether he would be capable, be competent to be Prime Minister of Canada.

A. No I think you'd be able to form your own views without my opinion. That's what the Canadian people are going to be asked to do after all, isn't it? They are going to ask themselves which people and which party do we vote for and that's what the campaign will be all about. But I have no doubt that some of you will be advising them.

RICHARD GWYNN: Prime Minister last night you used the phrase Decade of Development and I was intrigued by the personal implications of that. Premier Lougheed at the start of his campaign - his recent one - said it would be his last and in a couple of years he would have achieved his objective that he brought into politics. Are you keeping your options open in this respect because you reckon you may need a decade to achieve these objectives that brought you into politics?

A. Well I know that Canada's problems in won't be solved in a decade or in two or three. Nor have they ever been in the past. No country sort of stands still and says we've made it. So there will always be politicians who will say elect us and we will lead the country forward in the



times ahead. I wouldn't undertake to be here for a decade or more. I thought when I became Prime Minister that a decade would have been enough for me, anyhow, and apparently for a lot of people, but something intervened and it is the election of the Parti Quebecois, and the election of a Separatist Government. And I think I made it very clear before that kind of changed my mind. I got into politics in order to keep Quebec in Canada and I thought that I couldn't walk away from a fight to take Quebec out of Canada which was being waged by a Party which had become the Government of Quebec and it's as simple as that.

I don't think these problems will be solved forever at any one time but I do think the hurdle of the Referendum is a very important one and I would like to be around as Prime Minister to face those events.

CLAUDE TURCOTTE

Q. Monsieur le Premier Ministre, parmi les spéculations que moi et d'autres ont faites sur le fait que vous ayez attendu jusqu'à la fin de votre mandat ou presque à la fin du mandat pour déclencher des élections, il y a la possibilité ou peut-être la tentative de faire en sorte que le gouvernement du Québec tienne son référendum avant les élections. J'aimerais vous demander si c'est une des considérations dont vous avez tenu compte pour attendre jusqu'à ce moment-ci pour déclencher des élections, d'abord, et, deuxièmement, j'aimerais vous demander aussi, advenant le cas où vous faites ré-élire un très grand nombre de députés au Québec comme c'était le cas en '74 et auparavant aussi, si ce fait-là aurait un impact quelconque sur le référendum que le gouvernement du Québec tiendra après. En d'autres mots, à supposer que les gens du Québec disent oui à la question du gouvernement du Québec, si par ailleurs quelques mois avant on a élu un très grand nombre de députés libéraux, est-ce que ça aura pour effet en quelque sorte de neutraliser ce oui?

R. A la première question, laissez-moi vous rappeler que vers le milieu de 1977 les opinions semblaient unanimes à l'effet que si nous avions tenu des élections, nous les aurions gagnées haut la main, nous, le gouvernement libéral.

Une des raisons -- et il y en a eu plusieurs -- une des raisons pour lesquelles je n'ai pas tenu une consultation électorale à ce moment-là c'est que ça venait très tôt après l'élection du parti québécois et, par conséquent, très loin avant le référendum québécois et, dans un sens, un mandat que j'aurais pu avoir à ce moment-là aurait pu permettre au parti québécois d'attendre, eux, une, deux ou trois années avant de tenir son référendum et d'attendre un peu que mon mandat s'effrite et s'affaiblisse avant que eux ne précipitent le référendum. Alors, dans ce sens-là, il y a un peu de vrai dans l'hypothèse que vous exposez mais je n'ai jamais pensé que la date du référendum serait fixée par Monsieur Lévesque pour nous arranger, nous, les fédéraux. Il est certain que j'avais un avantage -- je le croyais à ce moment-là -- d'attendre pour avoir un mandat frais d'un gouvernement fédéral, que ce soit le mien ou celui d'un autre, de sorte que lorsque le référendum québécois viendrait il y aurait un gouvernement fort nouvellement élu, capable de faire face aux événements. Alors, dans ce sens-là, l'hypothèse du retard que vous exposez a un certain fondement.

Cette réponse est d'ailleurs liée à votre deuxième question. Il me semble que l'hypothèse que vous posez où nous aurions beaucoup de libéraux élus au



Québec nous permettrait effectivement au référendum de dire eh bien, nous avons un mandat des Québécois qui viennent d'élire , dans votre hypothèse, un gouvernement libéral strictement et fortement fédéraliste mais qui a préconisé un certain nombre de changements à la Constitution , et j'espère que cela influencera la population québécoise à voter non à un référendum qui, au fond, est un référendum pour la souveraineté et l'association et souveraineté veut dire indépendance et indépendance veut dire séparation, et ça permettra à la population de comprendre l'impossibilité de prétendre se séparer et de ne pas se séparer en même temps et qu'au fond, le référendum, si c'est sur la souveraineté-association, est une sorte de contradiction dans les termes. On ne peut pas être séparé et ne pas être séparé en même temps. Si on veut se séparer, on va voter pour la séparation et ensuite on verra comment il faut négocier par la suite. Enfin, j'entre dans une autre question à laquelle vous m'invitez, je pense, par votre deuxième hypothèse.

GEOFF SIMPSON: I would like to ask a question about the answer you gave a little while ago about the Conservatives blocking the Referendum Bill because your answer perplexed me.

To my knowledge there were only five witnesses called before the Committee, three professors, a member of the CEL's office and one other - and Premier Hatfield. There were only nine or ten meetings of the Committee and I can think off the top of my head of the Immigration Act, the

Bank Act, Criminal Code Amendments, the James Bay, -all of which took much, much longer in Committee and we never had the same charges. What evidence do you have in fact that the Conservatives were delaying when on the objective information it appears that that wasn't the case?

A. Well a month / <sup>in</sup> Committee on a bill which has been announced a year-and-a-half before and which is very simple in its intentions to me is delay when you know that Parliament is going to have to be dissolved some time this spring, when you know that you're taking a month in Committee that you've taken several days, I forget the exact number on second reading, it seemed very obvious to me that it was a tactic meant to prevent the Liberals from dealing with this issue. Hopefully an election would come before as it did. You can of course quote many, many pieces of legislation which have taken much longer than that, have taken an unconscious amount of time in committee and in second reading and some of it you recall has gone on over a period of years. But I can think of no subject more urgent than the question of whether Canada will remain united or not. And I can think of no instrument more important than the Federal Government having an instrument to test the opinion of the Canadian people on such a fundamental subject when they know that the Separatist Government of Quebec has given itself such an instrument.

Now there was a White Paper published a considerable time before the Bill was tabled, our processes, our procedures, our thinking was well known and I would think that any Party with a clear mind on the important subject of separation would have been able to say yes, we think a Referendum is necessary and we will authorize the Government to use it. It might be our

Government after all if we are elected after the next election the Tories might have said. Or we say no, it's an undemocratic process as I believe Premier Hatfield argued and even if the Quebecois use a Referendum we will keep our hands clean and not use one. It seems to me that on questions like this you can make up your mind fairly quickly and act very quickly if indeed you believe that there is urgency.

ANDREW ZENDER: Mr. Prime Minister should there be a drain or a concerted drain, or a concerted run, or concerted pressure on the Canadian dollar in the next couple of years what are the contingency plans that you now have to impose some sort of controls to protect the Canadian dollar and under what circumstances will you implement those plans?

A. There are no contingency plans and, therefore, there will be none implemented. We intend to let the dollar float.

ANDREW ZENDER: Even if the dollar goes down to 75 cents or lower?

A. We intend to let it float.



MICHEL GALLAND

Q. Monsieur le Premier Ministre, je vais vous poser une question toute théorique.

D'après vous, vaut-il mieux un gouvernement minoritaire avec les mains plus ou moins liées à la Chambre ou un gouvernement de coalition qui puisse gouverner mais en appliquant une partie de la politique d'un autre parti si elle n'est pas complètement contradictoire avec la vôtre?

R. Si la question est théorique, je ne peux pas y répondre. Il faudrait voir dans quel pays, à quel temps et quels sont les partis en question.

Q. Disons au Canada, en 1979?

R. Je trouve que l'hypothèse est exactement ça, l'hypothèse à laquelle moi je ne veux pas répondre. Il est clair que je respecterai l'opinion de la population.

J'ai été élu en '72 avec un gouvernement minoritaire; j'ai respecté l'opinion de la population, vous avez vu ce que j'ai fait, j'ai rencontré les Chambres et j'ai tenté de gouverner, ce qui m'a permis de le faire pendant un an et demi. J'espère que la population, devant les options qu'on a discutées tout-à-l'heure, devant la gravité des questions pourra se décider et faire une option claire et donnera une majorité à un parti, le mien ou aux conservateurs, mais ce serait certainement le résultat le plus souhaitable dans le contexte actuel et je pense que la population le comprendra.

Ce qui n'est jamais sûr c'est que les conclusions de voter pour un tel ou un tel seront les mêmes. Alors, il se peut que nous ayons un gouvernement minoritaire mais je suis convaincu que la population n'aura pas voulu d'un gouvernement minoritaire parce qu'elle est trop sage pour élire

volontairement un gouvernement faible à un moment où la menace de la séparation, encore une fois, est réelle de la part d'un gouvernement péquiste majoritaire et la menace d'une forte décentralisation mettant en danger des questions aussi fondamentales que l'énergie est également réelle comme on voit à la suite des élections en Saskatchewan et en Alberta de gouvernements majoritaires forts. Il me semble que ce serait le comble de l'absurde, dans une telle situation internationale où la crise économique et énergétique est réelle, dans une conjoncture nationale où les provinces se sont données des gouvernements très forts, ce serait le comble de l'absurde pour le peuple canadien de se donner un gouvernement faible.













